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DRAFT VERSION - FOR COMMENTS ONLY-

COLLECTIVE ACTION IN THE LOCALITY

Institutional Theory and Research Bottom-up

Peter Bogason

12/11/95

Dear Colleague: Peter Bogason has sent us this manuscript for comment. He will spend a couple of days at the Workshop around February 20, 1996, after attending a conference elsewhere in the U.S. We thought we would distribute a copy of his manuscript now since it appears to be a broad synthesis of diverse literatures and since it is quite long. We will have a special colloquium with Peter when he comes to discuss this paper and the research program he is developing.

- Lin Ostrom

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November 1995

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PREFACE

This book is an intermediate result of many years' struggle with canons or authorities within the social sciences. Or rather a discourse with the proponents of those canons.

My scientific career started out with the presentation of my Phd-project which according to the received view in my department at that time should use a systems theory approach with Eastonian elements. Which it faithfully did; the subject was the planning process of a Danish County Council. When I did on-site research in that county, I realized that the planning process was a complex pattern of interaction between a large number of national, regional and local actors. When the Thesis was accepted five years later, nothing was left of the original approach, reality had won over theory, and I found myself absorbed in inter-governmental and implementation theory development, of which I had heard nothing five years earlier.

The canons of these - for me at that time - new theories, however, were interested in depicting interaction patterns, but had little to say regarding the policy contents of the processes and the norms for the interaction. After some years and two visits as a post-doctoral fellow to Yale and Indiana Universities I detected institutional theories which did go more into the problems lying behind the interest and need for interaction among many actors. Participation in a research group on the functions of the state (Staat-saufgaben) in Zentrum für Interdisziplinäre Forschung at the University of Bielefeld gave me time to dig more into the literature on institutional theories.

So after many years mainly as an empirical researcher I found myself involved in the discussions of uses of institutional analysis, themes which were only reluctantly received by colleagues around me. As I see it the problem I could not overcome once again was canons: one school of institutionalism demanding methodological individualism, the other demanding some sort of structuralism, and I found myself stuck in a wish to combine those two, much to the dismay of some of the followers of each school with whom I discussed such ideas.

Today institutional analysis abounds. But, as a former colleague of mine once mumbled: "If every one nods in agreement about a research

result, it is probably wrong..." So the growing interest made me think things over again, and helped by some of my experiences from the empirical research I got engaged in a number of speculations on the developmental patterns of society.

Keeping my grumbling former colleague in mind, I have left some of my early ideas but kept the basic tenets, and added postmodernity as an explicit rationale for the analysis - if nothing else to assure that not everybody will nod in agreement. I first touched upon postmodernism in 1989, but dared not adopt it explicitly in my theoretical thinking. In the final chapter of an anthology, summing up the writings of the contributors on urban administration, I wrote:

... The consequences of this (i.e. the postmodern, PB) form of analysis for the environment will be something like *exit* the technical-rational order and *exit* the discipline-divided scientific universe seeking the definite explanation which is incongruent with an ambiguous reality.

But with such an annihilation of the existing organization of research postmodernism has temporarily set a pause for itself as a scientific phenomenon with influence.... Enormous powers of persons, resources and thought are bound in the existing division of labor. More than just some meta-scientific ideas are needed to change those conditions. (Bogason 1989, translated by PB)

Indeed. And for sure we are not yet at a juncture where such a change is likely. But more and more social scientists are adopting post-modern stances in their craft, and therefore one may safely predict that gradually, postmodern science will break through.

In so far as research must reflect on social change, the time is right to combine institutional analysis and the problems of the Western societies, which I have chosen to phrase postmodern - whether or not one likes the name of concept is of no importance, but it is important to heed the problems that the concept signals.

The aim is by no means to establish, even remotely, any canon. The decisive answer to questions of research does not exist. I do want to contribute to thoughtful analysis of whatever the individual researcher deems to be important problems in the society. And hence this is nothing but an intermediary stop towards something we do not know what is. But we shall and will play a role in creating it.

Some parts of some chapters have been published earlier, most of it in rather isolated contexts. Thus an earlier and less elaborate version of section

1.1 and 1.2 was published in Danish in "Lokalt demokrati - set fra neden" (with Christian Friis, Lars Hulgaard, Elisabeth Rasmussen, Karina Sehested, Johan Smed, Eva Sorensen) in *Perspektiver for Kommunestyrets udvikling*. Kommunernes Jubilaeumsfond 1995, pp 81-161. Part of section 2.1 was in a conference paper *Individualism and collectivism in empirical social science*, presented in Dubrovnik October 1987. The original discussion of the definition of institutions, now in section 4.4., is found in Danish "Nyinstitutionalisme set med politologiske briller" in Christian Knudsen (ed): *Nyinstitutionalismen i samfundsvidenskaberne*. Kobenhavn: Nyt fra samfundsvidenskaberne 1989:211-235. Part of section 3.1 and 3.2 was presented as a conference paper *The State and the Public Power* at the ECPR Joint sessions of Workshops, Essex March 1991.

Those were the fragments. The rest of the book is both cement to glue them together, and new contents. Most of it was written during my stay as a Netherlands Institute of Government visiting professor in the Department of Public Administration, Leiden University in the Fall semester of 1995. I thank the NIG and the department for their hospitality. It is sad to say, but writing productively is at its peak when one is away from home. Nonetheless, the influence of one's daily colleagues should not be underestimated. Especially I want to thank the research group I am associated with in Roskilde, the Center for Local Institutional Research, for support and challenges.

Peter Bogason
November 1995

1 MODERN AND POST-MODERN SOCIETIES

In this introductory chapter we shall, first, discuss the development of the society towards something which we for lack of a better term may call the postmodern society, and second, outline the main ideas of the book, discussing how to do research in collective action - in a broad sense, *not* reserved to trade unions or social movements - in the locality under postmodern conditions. The meaning of the term postmodernity will be clear in a while - at this point I only want to emphasize that the most important part of the concept is "post", meaning that the development we see has distinct features that are *not* modern. But we are not yet in a position to state more precisely what it is then, at least not in a coherent fashion.

Around the turn of the century Emile Durkheim and Max Weber were defining the field of a new discipline, sociology, dealing with the changes of society from the traditional (rural) society to the modern (urban) society. This is not the place to analyze whether or not they really established that new discipline, because as Giddens (1995:5) remarks, there is a tendency for academic thinkers to claim that they have invented something completely new, but in most cases they are quite dependent on some predecessors. And regarding the question of a new discipline, their observations and theories have also been used in political science and public administration, so one may say that they have had an impact on the social sciences in general. Anyway, Durkheim and Weber analyzed the activities of the elites of their time, in the processes of constructing new systems of production and organizing private and public activities on a large scale. They were struggling to conceptualize and analyze change, working on the basis of (or in opposition to) their predecessors in social analysis - Comte, Marx, Tonnies and others - and they did not know the answers to their questions beforehand. But their concepts and ideas were not coming from an abstract world of theories, they were heavily dependent on what was going on in their contemporary societies - industrialization, bureaucratization, urbanization, specialization etc.

Likewise, on the threshold of a new century, we need to discuss whether the conceptualizations and research methods of those founders of

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the modern social sciences are still relevant in all aspects. I think they are not, but as indicated this does not mean that they are irrelevant for a great deal of questions. But for other questions, we need other conceptualizations and research methods. Below, some main features of social change from the modern society into something new are sketched out as a basis for discussing conceptual problems.

This is not going to be yet another comprehensive discussion of modernity and postmodernity like Arvidsson, Berntson & Dencik (1994), Crook, Pakulski & Waters (1992), Giddens (1990), Therborn (1995) and many others. And it should be stressed that I do not subscribe to the view that there is now a full fledged new societal form in place as Bauman (1992) does. It is, however, necessary to spell out the basic elements of an understanding of the trends of development of the society. By doing that, we must necessarily generalize and neglect aspects that may be important from e.g. a specific American or German point of view. But such a loss of complexity hopefully means a gain in clarity, and one cannot satisfy all sides.

The form of this chapter, then, is more like an essay than like a normal scientific report. Consequently, the reader may find the referencing wanting. But it is worth stressing that since there in my opinion is no such thing as a full-fledged postmodern society in existence, but only trends towards change, there is not much to report on in the traditional scholarly way. This chapter is reflections upon reflections, combining the ideas of many observers, some of them mentioned above.

1.1. The Modern Society

The modern society has its roots in the time of the French revolution, gained pace with the industrialization during the 19th century and came to full scale in the 20th century.

We shall illustrate the core of the modern society by the concept of *rationalization* - the systematic use of reason. This is to be understood on the basis of the historical development. The basic principles of modern society were developed in Europe and the USA during the 19th century, based on the era of the enlightenment in the 18th century when philosophers like Voltaire, Montesquieu, Rousseau, Hume and Adam Smith did away with the remnants of religious fanaticism and superstition to define the understanding of man and his surroundings. Instead, facts based on scientific theories were to dominate our understanding of the environment, and the natural sciences proliferated. Motivational sophistication also entered theses about human behavior, and the routes towards social sciences were approached by philosophers.

During the 19th century processes of rationalization penetrated the social processes, especially in the second half of the century, and proceeded

during the 20th century. The principles were particularly spelled out in processes of industrialization and bureaucratization.

Industrialization first meant a systematic use of machines to make products practically identical, and due to constraints in generating and distributing power machines mostly were pooled in large buildings, meaning the construction of the large industrial plant. At a later stage, the assembly line was introduced to reduce the amount of idle time for each worker and to refine their specific skills to perfection within a rather small part of the production process. This made standardized mass production possible. The workers lost control of both the quality of the product and the production process, and instruments of planning and tooling the production process into minute details had to be invented to make management feasible.

Bureaucratization is the parallel to industrialization within the production of paper based services and processes of control. The first step was to pool human beings in relation to an archive which formed the knowledge basis for the organization. Thus the office was created, based on communication in writing. Over time came a specialization of functions between experts, who were subdivided into organizational entities, and the work flow was standardized, often based on categories within forms filled out by applicants. Thus the clerks gradually lost control of the contents of the service as functions became more and more isolated from the total process. Instruments of planning the work flow and systems of control and review had to be invented to make management feasible.

It should be obvious that there are strong parallels in the two forms of production of goods (industrialization) and services (bureaucratization). An important feature is the loss of control over both work content and work process for the individual worker, and a corresponding empowerment of a system of managers whose roles are to plan content and process and supervise the implementation of that plan. These roles may also be set up in a sophisticated division of labor e.g. between planning and supervision, and particularly between types of supervision. Thus an elaborate hierarchical system is constructed, based on the explicitly stated and hence known contents of a large number of functions and corresponding human roles, serving the purpose of standardizing the production of goods and services.

Such systems are examples of processes of rationalization where actions are predictable, maybe even calculable, and where action is dependent on learned skills within roles rather than the whimsies of the individual employee. Examples we see around us abound. Thus the automobile or the computer factory where components come from different places and are assembled to identical cars and computers. Within services witness the operations of a McDonald restaurant or retail chain stores, all identical in

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colors and basic layout and in the restaurants subject to strict norms for the product contents and cooking processes. Within office operations take examples of tax returns, applications for public benefits etc., all subject to computer handling all the way to the response in (laser)writing which is composed from a computer data base.

Rationalization by industrialization and bureaucratization has three consequences for social action which we want to discuss: specialization, centralization, and formalization.

Specialization is inherent in the process of creating some degree of division of labor. The more processes of producing goods and services are being subdivided into separate tasks, the more each role performing that task gets specialized. There are, however, several sides to such processes. One is a reduction in autonomy because the task is so simple that any one can perform it after a short period of on-the-job training. The simplicity may be relative, however, in that it may be required for the role incumbent to have a fairly high level of education before being trained for the task - e.g. testing laboratory samples or welding. Still, the task is simple for such a person; examples are any kind of assembly line production. Another side of the process is a professional specialization where an increase of organizational autonomy may take place. This happens with a growth of demand for highly trained professionals to cover a field of operations within the organization. Here we see a subdivision based not on specific tasks, but on a wider array of problematics which are to be addressed and refined by such professionals. Modern hospitals are one example with high specialization in medical sub-disciplines and high degree of autonomy for the doctors in each department.

At the level of the society, the role of the family is reduced as more and more people get employed in a sophisticated production system of goods and services in a national and international trading setting. The reduction of family roles creates its own demand for machines for former household chores, professional care for children and the elderly, food catering etc.

There are other sides to specialization than just division of labor, one may see the development as one of differentiation where no question is being raised as to divide a function into sub-functions; rather we just see an increasing separation of units in the society. The more this development goes on, the more we may see of special cultures emerging, linked to the special understanding of the world that integrates the separated unit.

Centralization is a consequence of the desire to keep control over the processes of specialization. The case is pretty clear in cases of assembly line specialization where the whole process simply cannot proceed without managers directing the allocation of workers, directing the input of raw material and/or prefabricated components and directing the whole flow in

time. This requires a hierarchical line of command and a flow of relevant information along those lines. When we talk of professional specialization, the logic is less clear-cut. Highly skilled people are able to work without much supervision, and they tend to do so; if their autonomy is challenged, they tend to respond by subtle means trying to regain their autonomy. Within the group of professionals, there will often exist some sort of hierarchy, maybe informal, but in relation to the environment, hierarchical relations are strongly restrained and mostly reduced to matters outside the professional knowledge like working hours, pay, budget etc. Professional matters are only subject to control formulated in general terms as missions etc.

Modern information processing techniques have added to the degree of centralization in those cases where the management has control over access to data. Computers make tedious tasks of combining data to highly sophisticated information easy, given that the key to combining data is available. In so far as insight in types of individual data may be spread in the organization, but an overview of types of data is reserved for the leadership, managers of hierarchical systems are put into more powerful positions in the organization.

At the level of the society, there is a tendency towards centralization within standardized industrial production and raw material delivery into multinational corporations. The same goes for channels of financing investments where banks and brokers merge into large entities, mostly also multinational. States grow to sophisticated systems of societal control with large banks of citizen information, and they develop strong systems of taxation to finance their activities. Over time, there has particularly in West Europe been built up a system of institutionalized links between trade unions, employers unions and in many cases also state agents, forming a sort of neo-corporate system of interaction. These leave little room for maneuver at the local level which is reduced to having a say only in a few matters of local adaptation.

The third feature of the rationalization process is *formalization*. The stronger the degree of centralization within an organization, the more all aspects of making the processes work must be spelled out and subject to rigorous control, which in and by itself cannot be tacit and/or informal. Actions and transactions are recorded in archives.

At the level of the society, strong specialization means that all transactions must take place within the sphere of a measuring system, mostly money (including budgetary systems), and transactions are recorded by formal systems. Barter and friendly exchanges of services wither away. Roles in the shadows like housewives caring for children and the elderly dis-

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appear as all able members of society become members of the work force or become occupied in schools, broadly understood. The former family roles become formal wage earner tasks in centers for day care. Thus the number of formal transactions between individuals are increased as modernity is developed into differentiated activities which earlier - as child care - was an integrated part of family life. Some may call it a commodification process (Crook, Pakulski, Waters 1992:6-8) indicating that activities like care are being changed into a product that is sold, but one should take note that it is often not a product that is part of transactions at a market value, hence use of the term commodification may disturb the analytic meaning of the essence of the differentiation process.

What is the aim of the processes of rationalization of the modern society? I will stress *integration* or *coherence* as an important aspect. In the process of specialization, only certain aspects of the product (in the assembly line) or the problem solving process (as seen by professionals) are taken into consideration, but those facets are refined to perfection within the limits defined, and therefore may be considered as integrated in a small scale perspective. But what about the larger picture? There is a need to coordinate the parts to a whole, and indeed, there is no doubt that the forces of specialization are working to produce a society of differentiation. A large degree of differentiation, however, is seen as unwarranted by many actors, and they therefore counteract such a process. The *deliberate* process of integration in a larger context in modernity is taken care of by the processes of centralization¹. Each segment of a production plant may pursue its goal because the chain of management sees to it that the overall goals for the production are reached. Likewise, the central state may be seen as an instrument of coordinating public activities - and restraining private activities - to fulfill the general political goals of the society. Thus there are several activities aiming at - though hardly guaranteeing - system integration. The processes of formalization may secure that activities take place within a system of information enhancing the potential for coherence and integration; nobody of a certain level of education is left uninformed if he or she wants to pursue a topic that is recorded.

Thus, centralization and formalization may be understood as means to offset adverse consequences of the processes of specialization - from disintegration at the system level to integration. Durkheim pointed to trade unions as important for coordinating many activities in the modern special-

1 Other processes of integration may take place. Thus, economists would argue that market forces will coordinate and integrate, as long as the actors observe the basic rules of market behavior. But the development of modernity indicates that such coordination has only succeeded to a modest degree - the invisible hand has been replaced by many quite visible hands.

ized society. Weber discussed the role of the bureaucracy for controlling processes of both private and public production of goods and services. And Parsons developed his famous AGIL acronym - adaptation, goal-attainment, integration and latency - for the analysis of functions that a system must perform in order to survive the challenges of differentiation (Parsons, Bales & Shils 1953).

1.2. The Postmodern Society

Features of the postmodern society began to show in the 1960s or so - observers do not agree, and there is hardly any reason to fix a date, since we are discussing trends, not absolute and irreversible features of development - and there is no idea of a specific end-state. It should, however, be stressed at the outset that the modern society certainly has not vanished. It is there, kicking and alive, dominating large parts of our lives, particularly for those who have few working skills. But there are movements towards something new, movements that particularly concern the educated elite, the academy, performers of the arts - in short the *intelligentsia*. And the young - those of them who are smart, relatively unbound to maintaining constant (high) levels of income and eager to explore the limitations of normal life. The intelligentsia and those young people are the potential postmodernists, those who are in the process of defining the parameters for the society to come. That society is not going to be an end-state either, in that sense the whole process of analysis below is the equivalent of shooting at a moving target.

If the hallmark of the modern society is processes of rationalization intended (but certainly not always successful) to lead to integration or coherence, the signpost of the postmodern society is disaggregation *or fragmentation* in a world where the processes of control based on rationalization fail and hence integration policies cannot be pursued, at least not by hierarchical means. Consequently, individuals and organizations pursue their own separate goals and are not effectively subject to coordination measures that they do not accept. Postmodernity is the negation of the measures of integration of modernity.

Gibbins (1989:15-16) summarizes a host of features of postmodernity. It reflects discontinuity between economy, society and polity; the transfer to a post industrial, information and consumer economy, a reorganization of middle-class employment, income, expenditure and attitudes (especially to work and leisure), heightened conflict between private and public realms, culture reflecting plurality, mixed lifestyles based on immediate gratifications, fantasy, novelty, play, hedonism, consumption and affluence. Dissatisfaction with modern politics, its sameness, customary allegiances, predictability, bureaucracy, discipline, authority and mechanical operation.

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Instead, postmodernity stresses difference, dealignment and realignment, unpredictability, freedom, deligitimization and distrust, power and spontaneity. There is a tendency towards reemergence of charisma and ideology and rhetoric, growing power of the media. Tolerance and freedom is flourishing in a new pluralistic and democratic politics by communitarian and democratic political activity.

Quite. One need not agree with Gibbins in every aspect of the above. Even if only some of those factors are becoming important, it is fairly obvious that this development defies our normal concepts for analyzing social change, there are hardly any basic principles ordering our thoughts as we saw it in the discussion of modernity. For some, this is on the border of chaos. We shall try to avoid such chaos in the mind of the reader by illustrating postmodernism on the basis of three features of fragmentation: individualism, internationalization, and organizational segmentation.

Paradoxically, the gain in *individualism* owes a great deal to the modern society which raised the level of income for many people and thus reduced their dependency on family, patrons etc. Those who have few working skills and/or are suffering from deficiencies are now supported by the welfare state at levels that were unthinkable before World War II. Poverty certainly has not disappeared, but across the board, the security of most people is very high compared with the conditions when Weber and Durkheim analyzed the advent of the modern society. Understood in that perspective one can say that individual choice is possible in new ways, the individual is not bound to use all his or her energy to basic needs of survival, and the traditional links to the wider family for subsistence are severed.

The individual should be perceived on new bases of understanding; the research results of the science of the modern society are being challenged. The gender gap is disappearing for the successful, linked to the general spread of higher education. The bases for the class-divisions of the modern society are being undermined, as several factors indicate: the differences between blue-collar workers and white-collar employees are becoming blurred, the group of self-employed people is dwindling (except among first-generation immigrants), and trade union membership is declining in most countries. The traditional political parties have declining membership, the left-right ideology differences are becoming obscure, political rhetoric increasingly centers on the importance of personalities (and the lack thereof in many politicians!), and there is less emphasis on the larger picture or conditions for politics. Furthermore, many political decisions are really made in a complex interaction between organizations - particularly interest organizations and public bureaucracies which function in an elaborate network of continuing negotiation relationships. Under these conditions it is no wonder

that the strong individual tends not to turn to political parties or trade unions for assistance in general, but rather prefers to act *ad-hoc* and use the channel appropriate for each specific situation, as he or she sees fit. One side of this development may be the growth in protest movements - which have rather in most cases matured into social movements of different kinds which do not just protest, but act in order to change things into something better.

Another side of the individualism is a reinforcement of the drive towards market solutions rather than standardized government provision of a number of services. If individual tastes are to reign, there is no general desire to let governmental bodies produce goods and services because they do not conform well to heterogeneity. Therefore, the trend towards diversity has one or two consequences. One may be that private markets take over, and individuals have to pay the price for services rendered. Another may be that public organizations explicitly are asked to diversify and compete on a quasi-market, where poor performance sooner or later will lead to organizational decline and finally close-down. An intermediate form may be found by letting individuals have access to publicly financed vouchers for certain services; the vouchers, once turned in to a service producer, can be exchanged for real money at the treasury. Both public and private producers can accept such vouchers.

The postmodern successful individual, then, is well informed, influenced by an international spirit in arts and TV and has easy access to any information available on e.g. the Internet. By contrast, the less fortunate individual is left in the world of the modern society and its standardized responses to social problems, enrolled in some program to keep the poor from ending in the streets.

Internationalization plays quite a role in the above description of individualism. The autonomy of the national state is being broken down, and loci of authority moved to international fora; some with federal elements like the EU, some with weak confederal elements like the UN, and some with *ad-hoc* understandings like GATT. International law like the declaration of human rights increasingly present states with claims to change normal procedures and institutions. The UN struggles to get recognition as a police-like peace-keeping authority. National borders are being weakened, a very visible problem is the large number of refugees of varying status who are being driven from e.g. North Africa to the Mediterranean European countries or from Eastern Europe to West European countries - all in spite of tougher immigration laws in those countries. Economically multinational firms are working together across nearly any national state border, and the flow of international capital is staggering, reflected in the growth of the large international stock exchanges in Frankfurt, London, New York and

Tokio; the national banks of both small and large countries are without the powers they had when the borders were better sealed. The growth of the Internet and other international communication channels indicates how information is accessible regardless of physical location.

In one way, internationalization could be seen as a centralization rather than a fragmentation: International organizations are organized as bureaucracies and use bureaucratic instruments like rules for conduct to be implemented by the national states which are now forced to take the new institutional regime into account. But seen from the individual states the overall result is a fragmentation because there are many loci of international authority, some of them competing for legitimacy. Internationalization, then, does not imply one World government or authority, and consequently it may correspond to fragmentation.

The third element of fragmentation is *organizational segregation*. One aspect is horizontal *segmentation* where e.g. the state apparatus is specialized to a large extent, not only by new state offices proper, but also by involvement of new bodies of interest representation in administrative and advisory councils or commissions. Thus, even though the administration may formally be under the responsibility of a cabinet minister, the actual organizational form does not permit the political leadership to be in command. Furthermore, a complex pattern of interaction arises among the many separate organizations in order to promote coordination, but in effect creating a continuing system of negotiation (Marin & Mayntz eds. 1991) (Pedersen & Nielsen 1988) where it is difficult to determine what organization, if any, is in charge. In a way it is the logic of a continued trend towards corporatism, but to an extent that prevents control from a few centers.

A second aspect of segregation is *decentralization*. The modern society saw centralization: in the production to large plants and financial crystal palaces, in the public sector to the state which organized public action in an elaborate division of labor. In postmodernity there is still large scale mass production, but new forms of niche production, home production, cooperatives etc. abound, in a complex web of contractors and sub-contractors. A well known example is flexible specialization (Piore & Sabel 1984) where companies based on modern technologies can adapt to changes in demand very quickly. In the public sector, a complex pattern of an increasing number of public and quasi-public organizations is established with an overarching principle of getting the actions as close to the user as possible. This means decentralizing public powers - in some cases to local governments which in turn may decentralize their powers to service delivery organizations of various sorts - in some cases to new forms of state owned, user run organizations. Within organizations, there is heavy reliance on the lower echelons of

the work force and a stress on the ability to adapt to the demands of the users or customers.

This means new forms of organizations, more forms of organizations, and many organizations which interact in a complex web of market relationships, contractual relationships, continuing relations of negotiation etc. The traditional (or rather modern) conception of organizations as clear entities with discernible boundaries is replaced by complex interaction networks across formal organizations and shifting responsibilities for the actors involved. Management becomes a complex affair of keeping oneself informed about developments within networks rather than being kept informed about the actions of subordinates; the important administrative skill is to keep processes moving towards a target that is not well understood by any of the participants.

Consequently, the systems of neo-corporatism that were built up by the West European welfare states are being undermined and replaced, increasingly by more local negotiations between a number of actors that is not pre-determined by institutionalized procedures. Some observers see the development as one towards chaos. At least, there is agreement that the future becomes less and less predictable. Recognized sub-divisions of the society related to class, gender, age groups, occupation etc. become less relevant as do their corresponding groups of organizations like political parties, trade unions and particular interest groups.

13. Contrasting Modernity and Postmodernity

To summarize in a little more substantial form the differences between modern and postmodern society, the following pairs may grasp quite typical, but yet contested contrasts which we consequently cannot substantiate by hard data. Recall that the discussion covers only the societies of the Western hemisphere, not developing countries. And recall that there is no contention that a total change has taken place - we are discussing trends towards something new².

In the economic sphere, the problematics change from understanding the system of *production* to understanding the pattern of *consumption*. The development of technology makes ordinary production of goods a technical problem with little involvement of human beings, and therefore the demand side comes into focus to direct that production system according to the needs of the consumers. Consumption certainly is at the center of human thinking. For human beings in general we see a move from a concern for covering

2 Given our interest in local collective choice, we do not discuss some important matters of international politics like the changes in military capabilities away from mass armies towards precision attacks based on sophisticated technology.

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basic needs to a maximization of the *quality of life*. The general level of wealth is so high that previous problems of getting bread and shelter have become a non-issue, and the new issues are linked to improving luxury assets, vacation time etc. Therefore, the concern of working people has moved from securing *working conditions* (providing the material basis for the basic needs) to securing a proper use of *leisure time*, sports, cultural affairs, TV, second home etc. There is a broader and intensified interest in cultural affairs, in an increasing differentiation among many tastes and new symbolic values. Satellite communication channels make the idea that performance is location-bound obsolete.

In the production sphere, standardized *mass production* is being replaced by production in a pattern of *flexible specialization* having little demand for storage of final goods waiting to become shipped to retail stores. In stead, the production follows immediate changes in tastes of consumers, as communicated to a decentralized system of producers able to retool their machine equipment overnight and then produce for immediate sale in the region. Consumers thus have great influence on what is being produced. In effect, the society changes from a *production society* where in the short and intermediate run the producers decide what to make and how, to an *information society* where demands are communicated easily from consumers to producers, often via intermediaries that digest impressions from various sources into more manageable principles for production. It is the handling of data and information that is decisive, not the ability to produce. Consequently, *management powers* become more important than the *powers of proprietors* regarding any detail of the production, and to a large degree also in all other facets of the operations of business as long as the result is profitable.

One may not be surprised that given the change from production to consumption, notions of the *class* society must yield in favor of a *pluralistic* society with a highly differentiated pattern of humans pursuing their whimsies. The ideas of strong *integration* via interest organizations and common symbolic world must give room for a *differentiated* and non-mass-organized system of interests. Previous concern among social researchers for identifying material structural patterns, largely thought to determine the conditions of life for those fitting the patterns, must yield to concern for cultural ideas and symbols of ideas which are not tied to particular material groups but attract followers of the situation. Here the information society plays a strong role in disseminating cultural ideas by television and computer networks. The *national culture*, so important in creating faithful followers of a common goal by referring to ancestors of enduring importance within music, literature, paintings etc., is challenged by *international images* linked to televised virtual realities, supported by the pop music of the day.

This cultural internationalization is paralleled by the opening up of the national state; national powers increasingly are circumvented by the powers of international regimes which do not permit parochial demands to intimidate minorities. Increasingly there is a demand for national legislation to comply to the minimum acceptable standards of the "international community".

Within the spheres of the political, changes are quite dramatic. First of all, *traditional party politics* based on class divisions recede as the class basis of the society is eroded, and is replaced by *politics of the personalities*, strongly helped by the information society with televised sessions of talks replacing the face-to-face meetings in the localities organized by the local party branch. The ability of party leaders to attract mass loyalty based on a televised image becomes more and more important, as does the ability to treat members of the press. Given such an empowerment of the leadership, a *politics of persuasion* replaces a *politics of consensus*, stressing the ability of the leaders to present their ideas to a large public and get immediate reactions, based on the techniques of the information society, telling them and their political opponents of the preferences of the situational majority. Thus the deliberations for compromises with other parties retract in favor of direct appeal and applause, which the political opponents must then accept as the will of the public³. It also follows that careful *planning* of an integrated package of state interventions must recede in favor of more *spontaneity* to adapt political ideas to the situational vogues. Furthermore, the ability to build up decisions based on *reason* as understood in the rational decision-making process is replaced by constructive use of the *imagination* which follows the signals received from a multitude of sources.

Interest organizations, for many years the tokens for perseverance and endurance within many policy fields, building their influence pattern on the ability to continue past conversations and the control of members, are increasingly challenged by *new social movements* which have no other resources than their present followers and an ability to use the media of the information society in a strategic way. Within the trade unions, there is increasing revolt against the organizational top, demands for more local autonomy and threats of giving up memberships⁴.

3 On the other hand, there is a need not just to give in to what one may perceive as a mass public. The individualization makes room for some sophistication in political responses to demands. There is no "new Nürnberg" hysteria in the postmodern public, therefore the thrust towards decentralization discussed below.

4 The loss of members is not a given thing if other incentives hold people back. In the Danish system, the trade unions have succeeded to let most members believe that union membership and rights to unemployment benefits go together. Formally, this is not the case, but union dues and compensation dues are often charged on the same bill, thus creating the illusion.

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Apart from the politics of the *centralized* personality, more and more political activities take shape as *decentralization* to the localities, permitting differences between the many individualized ideas to be played out. Local governments in some cases take over more responsibilities, but one also sees new forms of detached governing bodies which function in new forms of public-private partnerships or new forms of user-controlled service organizations. The politics of the *whole* changes into a politics of *fragmentation* where differences are acceptable - within limits - and even encouraged to make sure that the different preferences of people are satisfied. The great narratives of the modern societies are replaced by local stories.

Still, the internationalization of a number of themes go against a total fragmentation. Problems of ecology, human rights and "policing" of areas of ethnical unrest are becoming concerns for which international regimes make institutional settings to counterweigh problems created by local action or inaction. Consequently, the modern state gets squeezed between supranational and local initiatives.

1.4. Collective Action under Postmodern conditions

Above we went through some of the characteristics of the postmodern society and some of its consequences for the organization of that society. Again, it should be stressed that we speak of dispositions towards change, not absolute and *ex-post-facto* indisputable evidence. We speak of societies where modern and postmodern ingredients are present simultaneously, figuratively speaking they compete for the attention of researchers and people alike.

The rest of this book discusses some possible consequences of these developmental patterns for research in political science, public administration, policy analysis and organizational sociology. The discussion transcends the disciplinary boundaries in that the subject is not a theme permeating any of those disciplines enough to be of central concern to the canons of methodology. The subject is a sub-theme of them all and should be analyzed across disciplinary boundaries.

The theme transcending them is collective action. The rationale for this interest is that in spite of trends towards individualism and fragmentation, most people need the support of other people to overcome many of the challenges in their daily life. In particular, there is a need for a number of services which may become more affordable and get higher quality by being provided by a collectivity. This is precisely what the advanced welfare state has done, but it is being challenged by forces from both left and right, and it seems clear to me that a number of alternatives deserve to get a chance. Alternatives may not be so radical as the word sounds. Basically, what we

see is moderate changes where particularly the production of services is performed under new auspices than the traditional professional, public organization. But the road towards more radical alternatives is open for those who want to pursue them.

One thing is what we may need to organize differently. Another is how we are to analyze the new ways of organizing. This is the main subject of the rest of the book. We take for granted that some changes are occurring, and since there is less unification in the organizational patterns, researchers must have tools that can work for them in identifying and analyzing the new ways of acting.

In chapter two, we shall go much more into detail with the possible meanings of that concept of collective action. Here suffice it to say that in principle, we include actions involving more than one individual interested in achieving the same goal without having to compete with one another or to dominate by force. A special interest deals with the provision of common good(s) of common interest to a group of people in the locality. There is to a considerable degree a need for people to pool resources to solve matters of common interest. At the same time, however, I accept the postmodern thesis of a considerable fragmentation of the organizational and political pattern usually vested with the task to organize collective action. The important corollary is that research cannot adequately grasp what is going on if one starts the research process with those organizations and particularly their managerial top. Therefore, departure is taken from the activities in the locality rather than from the perspective of those who think that they have an overview of what goes on.

This development is reflected in organizational theory. Weber found the bureaucratic organization to be the perfect match to the demands of modern society (Fivelsdal 1988). The bureaucratic organization is based on excessive specialization among bureaus and employees, the organization design is the hierarchy, its powers are exercised on the basis of general rules, and its employees expect a life-long career within the organization, based on their merits. This sort of organization supports the needs of the modern society in the direction of stability, predictability, centralized responsibility and responsiveness to planned demands. The postmodern organization is the negation of these elements. It employs generalists who are, however, trained so that they can quickly adapt to new demands for skills, and in this sense there is a specialization, but only in some functions, not as an inherent characteristic of the employees. The organization design has hierarchical elements, but in a "flat" system with few layers, and constantly changing at the personal level to reflect the changes in the production process needs; a version of the matrix organization. General rules are few, *ad hoc* decisions

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must be taken all the time to prompt reaction to the changes needed for the organization to respond to new demands. The employees do not stay for life in the organization, they go from one organization to another as job opportunities open and close, and in shifting responsibilities. They may also work as self-employed in between. In order to grasp such trends, organizational theory must of course become much more situation oriented and give up covering laws as vehicles to produce testable hypotheses about organizational developments.

The modern state and its rational organizations, then, are under change through many forces which may be somewhat at odds with one another. But the state is not disappearing, it is only some of its agents that become obsolete. The core of the state still is extremely relevant. The core of the state is *the public power*, a phenomenon derived from some sort of constitutional system giving it legitimacy to the citizens, and at the heart of the discussion in chapter 3. The public power is what agents in the society are searching for in order to use it for their purposes. The public power covers over resources of immense strength and scope. It conveys actors with legitimacy to act on behalf of the state, it can supply them with, first of all, money and second, permissions to act in ways no private citizen could do on their own. Therefore, individuals and group are interested in getting aid from the public power, and thus the state still becomes important in the postmodern society, although its modern versions of organizations are undermined. People just want to use the public power in accordance with the postmodern conditions. This they do by getting the public power into their collective action schemes. There is not a given demand for the public power, this depends on the situation of the actors and the problem they face.

In a society where precisely that type of rationalized action is under heavy fire, one may not be surprised that the scientific concepts themselves, among them the rational organization, become undermined. Within our sphere of interest, networks of interaction within or across organizational boundaries become particularly interesting. Such interaction does not take place *in vacuo*, it is embedded in what I understand as institutional arrangements channeling interests and guiding behavior towards solutions of common interest rather than conflict over scarce resources. The institutional arrangements, however, are not like relatively rigid organizations and their standard procedures for action; they only persevere as a result of the acceptance of the individuals acting within them, and they are continually subject to change in so far as they come at odds with the desires of important actors to reach a workable solution. They disappear once actors stop regarding them as part of their practical activities.

The new institutionalism(s) and the concepts of institution become handy for this understanding of the state, and will be discussed in chapter 4.

The important realization is that in order to start our analysis we need not commence with the conceptualization of social problematics as seen by existing public organizations. Such a perspective only covers the ideas of the politicians and public managers, principles developed for controlling their organization more that to solve the problems found in the postmodern society.

In stead, one can start out with the problems that create some degree of need for collective action, and from there one must unroll possible organizational patterns emerging from the cooperative endeavors by participants to solve the problem according to their needs. This is where the ideas of the new institutionalism(s) of the last 10-15 years become useful and in that sense can be said to reflect the trends towards postmodernity. The science of the modern society stresses the goal oriented rationality of human action and uses various forms of the modern society's instruments to master social development, first of all organizational and systems theory. Postmodernity defies control in the above sense. There is no lack of means of control, and there are abundant attempts to get control over specific developments in the society, but the overarching master concept of control is long gone. Solutions are *ad-hoc and* actors are willing to modify along the road, much in accordance with the ideas of the flexible specialization within the production of consumer goods.

Thus the task is not so much to understand the principles of the (public) organizations as to grasp the dynamics of interaction networks which may not be there tomorrow. At the same time, we do find organizations, and they will be there tomorrow, but their ways of operation have adapted to the networking institutional systems. Therefore, people are working as much with employees in other organizations as they cooperate with peers in their own bureau. The important features, then, are the processual aspects rather than traditional organizational (managerial) concepts.

With Giddens, one may speak of structuration rather than structure. There is a long-standing discussion of the actor-structure problem within the social sciences, and although the way Giddens has conceptualized it may not be the best of all worlds, it helps underscore the point that the dynamic side of the interaction is what we are after.

Researchwise, this understanding is the passage to an adoption of the bottom-up research design which will be discussed in detail in chapter 5. The bottom-up approach is the antidote to the top-down problem: The top-down approach takes the perspective of the organizational top - the politicians in the parliament, the bureaucratic leadership, the people in change - and uses it for categorizing the problems to be researched. It has become most visible in the implementation research analyzing why there

would be problems with making the intents of a particular law or statute become a reality. Usually, top-downers find problems with the organizational setting or disinterest from social actors in the problematics addressed by the formal organization, and they advise the formal decision-makers on that basis without ever challenging the perspective from that particular organization. Bottom-uppers, in contrast, start out with the policy problem and then have the role of the (public) organizations become a hypothesis rather than a given. Thus they are able to put the instruments of the public into perspective, they can address any interaction linked to the problem instead of being tied up with the particular definition by one organization which may, after all, only be part of the solution seen from a societal perspective.

The more society becomes postmodern, the more the bottom-up approach becomes appropriate for an understanding of collective action in the locality, because the more we see new ways of citizen involvement in different affairs in ways that the actors of the modern public organization have not been able to comprehend. Therefore, they cannot give direction for researchers how to explore the problems of the society - their understanding is linked to the obsolete concepts of class, gender, interest organizations, party politics etc.

1.5. The Plan of the Book

The overarching theme of this book is institutional analysis, and therefore, the concept of institution is used throughout, but in somewhat varying ways in accordance with the different sources I use. A more precise definition is found in chapter 4, until then, the concept of institution is broadly understood as a set of rules guiding and constraining the behavior of individuals and groups in relation to some problematic.

Chapter 2 discusses theories of collective action. But first, a theme pervading the whole book is introduced: the actor-structure problematic. I see the dividing line as mainly due to whether the analyst belongs in the scientific camp of methodological individualism or in the camp of the opponents, the collectivists. I see the apparent divide as not very fruitful and I suggest a middle road which probably is what many empirical analysts - i.e. researchers outside the laboratory or computer simulation settings - follow anyway. The theories of collective action follows the methodological dividing line, methodological individualists explaining why people, each acting on the basis of their preferences, do not cooperate unless very particular circumstances come about, and the collectivists showing that they do, because structural setups make them realize the potential of the collectivity. I find, however, that the real issue is not individualism versus collectivism, but whether the analytic assumptions permit the actor to engage in

cooperative behavior. These actors do not have to engage in consensual relations, but they must be able to exchange points of view and adapt their principles in the light of this information. So the development of the relationships and the points of view of the actors is interesting, in stead of having preferences of the actors locked. Thus collective action is possible and does take place when institutional arrangements facilitate exchange of views and thus endorse bargaining relations between individuals and groups.

Chapter 3 goes into the uses of the theories of the largest entity of collective action, the state. The modern state has become a vast apparatus, but increasingly dependent on a continuing series of relationships with formally private actors as representatives of strong societal interests. Political parties have lost some of their powers on that account. A consequence of this development is that the state is losing its distinction as a conceptual variable in its original form. Many forms of social action are becoming to some degree political because of the resulting mix of actors. But if one ignores the organizational features of the state, first of all the bureaucracy, there remains a number of relationships between actors which may be understood as rooted in the *public power*. The public power gives these actor resources for action with the special legitimacy which the state enjoys. The precondition is that it must have links back to a constitution - which may be national or international (regime like the declaration of human rights) - which then is the formal backbone securing recognition of those powers as legitimate. This public power is one of the main vehicles for many sorts of collective action, and hence the widespread interest in interacting with those who can be instrumental in obtaining the right to use it.

Chapter 4 is reserved for institutional theory. First, the historical roots of institutional theory within political science, economics and sociology are sketched out, and then the problems of how to define an institution are addressed on the basis of the well-known distinctions between macro and micro approaches. As the reader might expect, both schools are found wanting, and steps are taken to make a compromise between them in the general spirit of structurization, but with an aim to sort out more precisely what the components of a dynamic institutional analysis might look like. It is important to understand the consequences of human interaction and the processes that are developed as a consequence. In particular the change of resources into action capabilities is important to understand, a move from "organization" to "organizing". A precise definition of the concept of institution is offered, and the components of the definition - policy problems, positions and networks, norms and rules, and order and meaning - discussed in some detail. Finally, some ideas from discourse analysis are brought into the approach to underscore the importance of understanding processes as series of communications made by "body-subjects", real people.

Chapter 5 is a further step towards approaching an institutional analysis of problems in the localities. This is where an understanding of the development of implementation theory becomes important. Where the first implementation analyses started out with the goals for a policy and then followed the chain of command to see how the goals were transformed into action, the second generation took care to analyze more how the last parts of the chain from principle to action behaved. Some took the position of the street-level bureaucrats, some followed actors in the locality no matter what their formal relationships to the implementation procedure were. These "bottom-up" approaches are used as points of departure for institutional analysis of collective action. Based on past research, the elements of the institutional definition of chapter 4 are discussed to create further conceptual clarification for analysis. Illustrations of how researchers have solved their problems in operational research are supplied.

Chapter 6 sums up the argument of the book and concludes the discussion of institutional bottom-up analysis of collective action in the post-modern society.

2 THEORIES OF COLLECTIVE ACTION

The basic *credo* of many political economists is that in a liberal society the allocation of goods and services is performed best by economic forces, or more precisely by the perfect, competitive market. Thus Olson (1986:120):

Governments are not needed to perform any function that markets perform perfectly. Thus a theory of governmental structure begins with market failure.

Does it? *Historically*, the market in its perfect competitive version has only been a digression as a form of exchange system. For most of the time, there have been strong restrictions on free trade - in order to protect the interests of collectives and/or individuals. The perfectly competitive market was approached with the beginning of industrialization in the 18th century. It was a reaction to the protective measures of mercantilism, and probably had its best working conditions in the 19th century. Since then, there have been and are markets, but most of them more or less restricted rather than perfectly competitive.

Therefore, Olson's statement that a theory of governmental structure begins with market failure is easy to challenge. There is no "proof that the basic way to exchange goods is to use a market. It is one way among many. And the market only functions perfectly, as Adam Smith has shown, if there is a governmental structure to protect certain basic principles like policing (to explore fraud, protect against robbery etc.) and adjudicating (to settle disputes e.g. of interpreting a contract etc.). In such a view, the most important role of the state is to secure that the market functions in an optimal way. Market and state, then, co-exist rather than supplant one another.

In liberal democracies, experience shows that people do cooperate for common goals. Collective action takes place whenever individuals cooperate for achieving a common goal. It may happen because they are members of an organization, but it may also happen across formal organizational boundaries, in sub-sections of organizations or between individuals who do not have formal organizational ties in relation to the particular problem they jointly want to solve. In other words, the organizational structures and ties are not given.

This chapter sets the parameters for the rest of the book in two ways. First it discusses a meta-theoretical problem - the actor and structure puzzle which has been an important theme for many years in the social sciences. It is particularly pertinent in problems of collective action. Second, it goes through some of the large literature addressing collective action. Some of it examines why in principle it is not possible to cooperate, evidence in the real world notwithstanding, other parts have more positive reflections on cooperative behavior.

2.1. The Structure-Actor Discussion

The social sciences have had many difficulties in conceptualizing and analyzing change. Two well-known poles in the scientific literature have been the *structural* approach versus the *actor* approach. It is a highly complex discussion which I do not intend to review in full, see e.g. Lundquist (1987) and Fielding ed. (1988). Instead, I will draw up some basic lines which are based on the distinctions between *individualism*, particularly methodological individualism stressing the role of the actor, and *collectivism*, based on a structural approach.

The aim is to question the dichotomy of individualism versus collectivism in social science. I do this by drawing on some of the participants in the theoretical debate of methodological individualism and opponents to that theoretical position. So, individualism versus collectivism may from some vantage point be misleading labels, but they are applied only with the aim to illustrate two positions in a very general way. I do so to show that one may compromise between the two schools of thought, especially regarding the role of individuals and their possibilities within structural constraints.

2.1.1. *Individualism*

Two of the most prominent scholars among individual methodologists are Hayek and Popper. There is a basic difference between Hayek who applies the term to a methodological principle, and Popper who applies the term to an epistemological principle (Scott 1973:215-216). Hayek discusses the methods and data to employ: they are to refer to the relations between individual minds which we directly know. The start of a scientific inquiry should thus be termed by the concepts guiding individuals in their action. The social sciences should constitute the wholes by constructing them from the elements. Thus, Hayek's principle is synthetic. Popper's principle is analytic. He insists that whatever methods we use, we should never be satisfied by an explanation in terms of so called "collective" - states, nations, races etc. Popper thus tells us how to finish our inquiries, namely by reducing them to the behavior and actions of human individuals - institutions must be analyzed in individualistic terms.

In his discussion of these meta-scientific principles Lukes (1973:121) starts out with Hayek's basic doctrine of methodological individualism:

There is no other way toward an understanding of social phenomena but through our understanding of individual actions directed toward other people and guided by their expected behavior.

Thus, according to methodological individualism theorists, no purported explanations of social phenomena are to be considered explanations unless they are couched wholly in terms of facts about individuals.

Lukes then goes on to discuss what "facts about individuals" may mean for the researcher basing explanations on methodological individualism. They seem to go from physiological over psychological to social aspects of the individual (Lukes 1973:124-126). First, there may be genetic make-ups and brain-states; examples would be Eysenck's classification of political attitudes along two dimensions: the Radical/Conservative and the tough-minded/tender-minded and his explanation of attitudes in terms of the central nervous system. Second, we may consider states of consciousness like aggression and gratification; examples would include Hobbes' appeal to appetites and aversions and Freudian theories that explain certain social actions as subsequent results of a sexual activity pattern. Third, we may discuss concepts that involve abstract relations to other people like power, esteem, and cooperation - as used by sociologists like Homans, but in this case any explanation of behavior would be framed in terms of general group theory, but only because it influences the behavior of the individual. Fourth and finally we can consider terms that clearly involve social relations like saluting, voting and cashing checks. Here the relevant features of social contexts are built into the individuals' behavior in a non-theoretical way.

So individual methodologists may use an array of ways to explain individual behavior, but the explanation is preferably based on general laws or specifications of particular circumstances which then influence the behavior of individuals'. This leads us towards questions of basic scientific principles: can we deduct behavior from theories or must we induct theories from behavioral observations?

In his guide to the politics of rational choice Laver (1981) has an important distinction between inductive and deductive theories. Inductive theories attempt to explain what is actually going on, and the ability to predict what will happen in the future is often used as a criterion to judge

1. In Lukes' opinion it is not possible to maintain that explanations can only be phrased in terms of individuals. As demonstrated by the four types of facts of individuals, they are difficult to conceptualize by referring only to the individual him(her)self. We very quickly have to take relations among individuals into account.

them. In contrast to this, deductive theories are used to tell us what would **go on** under certain, specified circumstances. Their primary function is to expand our understanding of the possibilities, rather than to explain events (Laver 1981:11). Deduction, then, is truly an intellectual endeavor with no immediate consequences for those who want to analyze the world empirically.

As a consequence of this distinction, Laver comes to the conclusion that the inductive explanation in the last analysis more or less says that the world is as it is because that is how it is, and therefore, much emphasis is put on empirical evidence. The deductive explanation tells us how the world might be, when the world might be a number of things, and empirical observation is then of limited value. Laver chooses then to use a set **of *a priori*** individual motivational assumptions which then are used for deductive reasoning (Laver 1981:15). This is his basis for methodological individualism, a conscious choice which has some drawbacks in terms of empirical reality, but has heuristic advantages in terms of rigor and coherence.

From such a starting point of scientific work it is extremely important that the analyst does not fall into the trap of mixing inductive and deductive types of analysis. Laver blames some rational choice theorists for first following a line of deductive reasoning and then, when the resulting analysis becomes glaringly unrealistic, modifying their *a priori*s by-inductive reasoning in such a way that they can deduct the observed reality; they then go on deducting analytically as if nothing had happened (Laver 1981:16). A true deductionist, then, carries the analysis to the extreme. In the light of those results, the starting-points may be modified, but not before. Of course, Laver is perfectly aware that any starting point for deductions will, to some extent, be influenced by observations of the world, made previously by the analyst himself or by those theorists the analyst draws on. Thus, the distinction between deduction and induction is probably never perfectly clean-cut.

There is, however, one school of thought that has gone far in the direction of deductive theory: public choice, to which we now turn. In a discussion of the appropriateness of methodological individualism in inter-organizational relationships Vincent Ostrom (1986) argues that because individuals are ultimately the only ones that can be held to account for actions, individuals should be the basic unit of analysis. It is often discussed what is prior - individuals or societies. Some may see the problem as one of chicken-and-egg

...where individuals function in structured situations, but it is in those structured situations where the socialization, acculturation, education and learning of individuals occur (Ostrom 1986:6).

This analytic problem may be solved by postulating actors that are individuals in some defined and nested set of relationships that can be specified as a structure of a situation (V.Ostrom 1986:2). In order to explore relationships, the analyst should stick to individuals and their roles in such relationships.

There may be circumstances where it is unnecessary within the context of some specific problem that may be unraveled at an organizational or inter-organizational level of analysis. But such a mode of inquiry may not reveal the source of the problem or offer a sufficient explanation. In that case we are required to use methodological individualism to unravel the nexus of relationships. (V.Ostrom 1986:8)

This Ostrom supposes to hold true within an analysis of "self-governing societies", i.e. situations of collective choice with some degree of autonomy. If individuals cannot be held to account, it is not possible to speak of self-government, for such people are not capable of managing their own affairs, and hence not able to interact constructively - such interaction is necessary to set up local associations, i.e. local government arrangements. This principle of accountability may be one of the strongest normative bases for methodological individualists.

2.1.2. Collectivism

It is quite difficult to put the opponents to methodological individualism under the same hat, because they are only united in their opposition to methodological individualism. So there are limits to how far we can carry generalizations about these scholars.

Collectivists maintain that the whole is more and in some cases logically something else than the sum of the parts. An example can be drawn from economics: The aggregate performance of a national economy cannot be determined by analyzing the strategies of individuals acting in that economy. For instance, the reaction of individuals to an economic recession might be to put more money in the bank in order to save for a possible period of unemployment. But if many people react like that, the possibility for unemployment will become higher because the aggregate demand in the economy will be reduced. This is an unexpected or counter intuitive outcome seen from the rational individual, and cannot be analyzed properly in individualistic terms. What must be understood is a number of structural variables which e.g. Keynes built his theory on: income, saving and investment functions (O'Neill 1973:15). The example probably becomes even more clear if we analyze what happens when income is being redistributed among people in different income classes: if low-income groups get more

income, most of it will be spent on consumer goods, if high income groups get more income, chances are high that the money will in the first step go to investment goods. Thus, the aggregate demand in the economy will be different, depending on which group is being favored.

In other words, in the collectivist version, there are certain characteristics about behavior which methodological individualism cannot grasp - e.g. the historical, legal and institutional preconditions of such individualism. And some preconditions like the distribution of power among individuals tend to be neglected. So, even though individual methodology tends to "demystify" the power of institutions by calling attention to the actions of people (O'Neill 1973:16), the resulting explanation obscures how the unintended or counter intuitive *outcomes* of individual actions came about. The explanation is a sort of first level understanding, giving us little clue as to why much went wrong in spite of all good intentions on part of the actors.

Above we saw arguments for maintaining individuals as basic elements of analysis even in intergovernmental relations. Concerning the analysis of federal systems, Franz sets up what he calls an alternative approach to the one based on public choice. It is based on the structural properties of the interorganizational arrangement and the strategies of the people involved in its organizations (Franz 1986:480). The formal structure of the federal system is determined by constitutional law. There are differences among nations - in the USA, the federal government can administer some programs itself, in The Federal Republic of Germany, the federal government must administer by delegating responsibilities to the Lander and localities. In Germany, then, there is a notion of partnership rather than center/agent relations². The notion of power to the federal government is not completely denied an existence, but most coordination is contingent on interorganizational arrangements.

Citing Metcalfe, Franz summarizes his introductory discussion (Franz 1986:483) to say that in order to analyze this system, the unit of analysis must be large-scale pluralistic systems consisting of formally autonomous, functionally interdependent organizations. The institutional arrangements are defined by their interrelations, based on organizational theory rather than e.g. economic relations.

Organizations are important elements, and they are conceptually defined as open systems which act depending on the behavior of its individual members, which in turn is determined by the conditions of membership, career structures and formalized tasks. Individuals are not denied

2. Franz does not, then, take into account that a number of US federal programs are, as a matter of fact, implemented by states and localities.

existence, but their behavior is structured by those factors. The actions of the organization, in turn, is restricted by other organizations operating in its environment. In an interorganizational perspective, organizations quickly become dependent on one another - interdependent - and the process results in a complexity where it is not easy to distinguish between strategic decisions made by individual organizations, as they are dependent on the resources of other organizations, like the capacity to make laws, to monopolize information and to perform and to finance certain public policies. The organizations therefore try to negotiate their environment, thus reducing the uncertainties they would else face.

An extremely important corollary is that the interorganizational network may be constituted by relationships that cannot be derived from the components' actions. Coordinated action is not predictable on the basis of constitutional law, but results from the interorganizational bargaining among representatives of the organizations of the network and is contingent on the constraints and opportunities that the network offers (Franz 1986:487).

The difference comes forward in that the individualist approach will refer outcomes to strategies while the Franz approach stresses that individual strategies may lose importance in the process where several - levels of networks interact towards a result that is not predictable.

2.1.3. Differences and resemblances

In formal theory, there is much difference between the individualistic and the collectivistic approaches.

Among public choice theorists, Laver maintains the differences by sticking to deductive theory and then in effect denying that empirical verification is desirable. The predicting power of the model, then, is of greater interest than the exact one-to-one empirical match. Other public choice theorists have prepared the ground for empirical discussion of the principles and left the individual as the sole actor, but they appear to maintain the basic tenet of the approach for normative reasons.

The first position is questionable because the predictions of the model may be circumstantial rather than due to the model. The relaxation of the demands on actors - e.g. to include organizations under specific conditions - makes more sense to those who have been involved in empirical research beyond the laboratory setting.

A major theoretical question regards the consequences of action. Collective approaches contend that the consequences of actions are not readily foreseeable because the properties of the networks that emerge are qualitatively different from the individual actions made by the participating organizations. But followers of the individualistic public choice approach

also contend some unpredictability, namely that outcomes of individual action are not predictable. For instance, individuals might invest expecting a profit, but market forces will turn that profit into a consumer surplus, rendering little profit to the entrepreneur.

The two schools of thought actually converge on these points, though they are phrased differently: what we see is not what happens. The point is that as individual observers, we can only see part of what goes on, and only from one perspective. It takes an overview, impossible to get for one individual at the time of action, to understand the complex forces at work and grasp their interplay. Indeed, a basic rationale for doing research.

2.1.4. A Compromise: Actor-cum-Structure

It should be possible to reconcile the extremes of individualism and collectivism, not within the approaches themselves, of course, but as a compromise between ideals with the explicit purpose of doing qualitative empirical research.

First, however, an indication that in frameworks for empirical research, there is some convergence, particularly regarding the role of institutional arrangements. The Kiser-Ostrom framework (Kiser & Ostrom 1982) is a micro approach, starting with the individual as a basic unit of analysis to explain and predict individual behavior and the resulting aggregated outcomes (Kiser & Ostrom 1982:181-182)-These individuals, however, make choices within the confines of decision rules, and the analyst can make predictions about, first, the strategies that individuals will follow in specific situations and second, about the aggregated consequences in the society of those individual choices. The analyst is free to make assumptions about the individual, there is no *a priori* reason why, for example, the individual should be an extremely rational economic man type of actor. This, however, is often the model chosen by the analyst in public choice analyses.

The analyst must make assumptions about the individual's level of information, his preferences regarding outcomes of decisions and his way of ranking alternative actions. Furthermore, the analyst must know a number of attributes of the decision situation, like how many decision makers that are involved, alternative choices that are available, relations between actions and results in the society; complexity; repetitiveness, communication possibilities among actors etc. (Kiser & Ostrom 1982:184-188).

Several of these aspects can be conceptualized by the rules of institutional arrangements as we shall see further developed in chapter 4 on institutional theory: how many actors are allowed, what results can be authorized, what changes can be made in the decision-making process, and how are specific decision situations linked to other decision situations (Kiser &

Ostrom 1982:191). This way of thinking is based on the division of decision-making logics into levels of abstraction, first conceptualized by Buchanan and Tullock in their *Calculus of Consent*, which in some observers' opinion used too much of economic man in its orientation (Buchanan & Tullock 1962). The general idea has been developed for both political science and economic analysis (Kiser & Ostrom 1982). These rules can be thought of as nested levels so that although any rule can be changed at some point of time, some can only be changed in the intermediate or long run, and especially those that govern the general principles of the decisions (like a specific type of democracy) are difficult to change. On the other hand, such rules that are difficult to change increase the capabilities of the actors to predict.

Clearly, one of the most viable criticisms of methodological individualism, namely that individuals are treated as if they existed in a structural vacuum, is met by this approach. Individuals are constrained in their action by several factors, and they may use institutional rules as assets in their strategies.

Other theorists have an eye for institutional elements. Bladder (1992:278) calls for an approach to the analysis of organizations in the post-modern era linking cognition with social contexts and thus seeks something linking properties of an actor and aspects of institutions. The central theoretical task is to

focus on the processes that link cognitions with social contexts, the ways in which taken-for-granted assumptions influence social imaginations, and the opportunities that can be created to manage significant infrastructural changes

He does so by combining theories of human agency (Roberto Unger) and cognitive theory (Lev Vygotsky). Unger's theory sets up a general framework of a *formative context* which provides an implicit model of how social life should be led. *Institutional* aspects define the institutional arrangements that define the rules for action, and *imaginative* aspects reflect the myths of relevant action scope that are in the minds of (most) actors within the institutional setup. Thus institutional aspects define e.g. the rules of powers within the polity, the judiciary, the bureaucracy and labor organization. Imaginary aspects tell the degree of acceptability relating to e.g. political passivity, inequalities in personal incomes and wealth distribution, differences in social rights etc. (Bladder 1992:179-182). Precisely how these elements interact in human agency, however, remains somewhat unclear. Vygotsky presents us with three aspects of behavior: *activity* as the socio-cultural interpretation imposed on an context by the actors like 'elec-

tion', 'work', 'management'. *Action* is a specific goal-directed behavior which may be interpreted in different ways depending on what activity it takes place within. *Operation* is the detail of the circumstances under which action is carried out (Blackler 1992:289).

The principles of the formative context thus systematize conditions under which we act, and give the analyst the opportunity to relate an empirical world to theories of particular types of action (like bureaucracy, representative democracy etc.). The theory of activity systems provides the analyst with concepts to systematize the elements of performing an act that may conform with or modify the formative context.

If we think of the formative context as something rather near to institutional arrangements, we can discuss some attempts of the various versions of "new institutionalism" (March & Olsen 1989, Ostrom et al 1994) which do, despite their differences, help us grasping *systems of interaction across formal barriers*. March/Olsen basically recommend a collective approach, Ostrom *et al.* an individualistic approach. March/Olsen fully realize the differences between the two basic ways of analyzing politics (March & Olsen 1994:3-5), but apparently they are not willing to acknowledge the progress made by researchers of the individualistic approach within the last decade or more. March/Olsen see the differences as individuals behaving rationally, acting to maximize their preferences in an atomistic political community on the one hand, and a socially constructed actor taking institutions for given and acting within its rules and practices on the other.

But none of these alternatives are viable, from an empirical point of view one can show that individual action can be of importance, and from a theoretical point of view the problem is raised how change does come about if actors always adapt?

March and Olsen tend to reify the institution which in my perception is to be considered a concept:

... in the struggle to survive, institutions transform themselves Surviving institutions seem to stabilize their norms, rules, and meanings so that procedures and forms adopted at birth have surprising durability (March/Olsen 1994:18)

On the other hand,

Institutions change as individuals learn the culture (or fail to), forget (parts of) it, revolt against it, modify or reinterpret it (March/Olsen 1994:19)

These formulations are a little bewildering. In so far as we can see changes towards post-modern social conditions, the institutional context may increasingly *not* be taken for granted the way it is in the modernity.

Consequently, it makes sense to develop theoretical approaches attuned to individual action linked to institutions rather than behavior determined by institutions.

A reconciliation of the approaches, then, should be an attempt to keep the notion of people seeking to act strategically, also to their own benefit, but realizing that they act within institutional constraints. This I call *actor-in-structure*³, found in the more traditional individualistic approaches like public choice and game analysis. Another version is one of individuals pursuing some kind of goals, but realizing that there is a potential in working with the constraints and resources that are institutionally determined. This I call *actor-cum-structure*, found in the recent new institutionalism based on individualism.

An *actor-in-structure* realizes the limits of possible action and does his best to exploit the course of possible action within those constraints. This is the course taken by many "economistic" analysts, a special line of research (e.g. game theory) goes into analyzing how different institutional settings might shape the behavior of a rational actor. But one could also say that March/Olsen pursue such a line:

Inssofar as political actors act by making choices, they act within the definitions of alternatives, consequences, preferences (interests), and strategic options that are strongly affected by the institutional context in which they find themselves. (March/Olsen 1994:8)

Of course, the first eight words indicate that the political actor may not make any choice at all; still the characterization actor-in-structure seems appropriate. The actor validates action under the rules of the institution, not unlike a process of interpreting the law (March/Olsen 1994:10).

An *actor-cum-structure*, on the other hand, is a socialized individual who realizes the limitations of institutional rules. Still he may act within those constraints to change the content of or the standard interpretation of such rules to allow for new courses of action. This may take place in interaction with other actors where the process of mutual influencing is pivotal for an understanding of how the outcome in terms of institutional rules is determined. So institutions are not only understood as limitations for action, they may also serve as resources for action.

The difference to March/Olsen becomes clear in the goals for action. March and Olsen claim that people act in order to fulfill the ideas and principles of the institution:

3 In an earlier version of this discussion (Bogason 1996, in print), I used the phrase actor-in-institution and actor-cum-institution. In this chapter, institutional analysis has not yet been thoroughly introduced, hence the change in wording, but not really in meaning.

In the institutional story, people act, think, feel and organize themselves on the basis of exemplary or authoritative ... rules derived from socially constructed identities, belongings and roles. Institutions organize hopes, dreams, and fears, as well as purposeful actions. (March/Olsen 1994:5)

While there is no reason to doubt that institutions play a significant role in peoples' lives, there is reason to believe that people do act within an institution with ideas of getting some purposes, which they at least think are their own, fulfilled. Simon discusses this (with a purpose to crush Becker's use of economic rationality in all social matters):

Everyone agrees that people have reasons for what they do. They have motivations, and they use reason (well or badly to respond to these motivations and reach their goals. (Simon 1987:25)

It is then an analytic question how to conceptualize this; Simon's purpose was to do away with the substantial rationality of neoclassical economics in favor of a more procedural rationality. The disagreement between the more individualistic and the more collectivistic versions of the new institutionalism is not on the adaption of the substantial rationality - one of the most outstanding representatives of the individualistic version uses bounded rationality (Ostrom 1990). So we need to go into an understanding of the formation of preferences if we are to solve - or rather shed light on - the disagreement.

This may at least in part be seen as a process of cognition. Scott (1995) has found that cognition is an important facet in the new institutionalism in sociology:

Symbols .. have their effect by shaping the meanings we attribute to objects and activities. Meanings arise in interaction and are maintained - and transformed - as they are employed to make sense of the ongoing stream of happenings To understand or explain any action, the analyst must take into account not only the objective conditions but the actor's subjective interpretation of them (Scott 1995:40)

One may add that other factors than symbols may be treated in the same way, broadening the world of cognition for the actor. This may be done by developing the *individual-cum-structure* understanding; this avoids the problems of lonely maximizer on the market, and defies the structural dope that has no capacity for change. So we need research tools tracing the actions of individuals and helping us organize those actions in an analytic way. Here the ideas of structuration theory may be helpful, and we shall return to those in chapter 4.

2.2. The Problem of Collective Action

We now turn to a discussion of collective action. Why act in unison with other people? The "problem" of collective action may be stated in several ways, and we need to make the links to two directions of research clear.

First, the workers' movement. In some nations, the understood important type of collective action is restricted to the workers' movement. Interesting phenomena in such research are strikes, demonstrations and revolutions or, more peacefully, organizing workers into labor unions. One example is Birnbaum (1988), treating the influence of the structure of the state and the elite linked to it upon the formation of such types of collective action and the strategies they pursue. We are not going to discuss the workers' movement as such, nor are we not going to exclude them for a possible analysis.

Second, social movements. We are not going to restrict the discussion of collective action to "social movements", meaning movements of protest, *ad-hoc* rallies for action, temporary groupings for influencing particular questions in the locality etc. (see e.g. Rucht ed. 1991), and they are not our primary interest, but they may be within our scope of concern. This depends on the special features of the action situation which we will not define *a priori*.

The approach below to collective action, then, is rather general. In principle we include any kind of action involving more than one individual interested in achieving the same goal without competing with one another or dominating each other. Our main interest concerns providing one or a few common good(s) of interest to a collectivity, so it is the definition of such goods that determine whether or not the subject falls within our sphere of interest. Those which do, we analyze as decision-making entities, understood as institutional arrangements aiming at easing the process of collective decision-making.

Collective action also can be approached less directly, e.g. by looking at some consequences of collective action. Elster (Elster 1989:17) refers to the *problem* of free riding or the *problem* of voluntary provision of public goods, where the rational self-interests of individuals lead them to behave in ways that are collectively disastrous (cf. Taylor 1982:1). This is a theoretical, behavioral way of stating it, one could also refer to substantive problems like avoiding pollution of the environment, preserving fisheries or common grazing fields, or avoiding the deterioration of a neighborhood area.

Such substantial problems, however, can only be solved if a certain amount of cooperation among people takes place. Hence the question: How is it possible to make people cooperate? Theories of collective action are found within several disciplines, and therefore, as one might expect, the ans-

wers differ, depending on the perspective and research tradition. The general answer to the problem, however, is either that people do *not* voluntarily cooperate by means of collective action, or that they cooperate because they are induced to do so by forces outside the control of the individual. We shall discuss those answers and come up with some qualifications to such general accounts of human behavior.

The discussion below is divided into two main groups: theories based on methodological individualism, generally negating the possibility of cooperation, and theories based on more collective types of actors, generally being more positive to collaboration.

2.2.1. *Models based on individualism*

Selecting from a quite large arsenal, we shall discuss Mancur Olson's logic of collective action, some game theoretical ideas, and the tragedy of the commons; partly as examples of a negative response to the question of cooperation, partly as corrections to the general, negative response.

2.2.1.1. *The Logic of Collective Action.*

Mancur Olson's (1965) basic argument is fairly simple: There is no incentive for rational individuals to join forces in large groups in order to act in their common interest. The reason is theoretically derived, based on an analogy between individuals and firms in a perfectly-competitive market: it is not rational for the individual to assume the costs of e.g. lobbying on behalf of a large number of co-interested people because the costs to do so exceed the expected benefits; furthermore, the rational individual knows that the organization would not feel the difference if one member (oneself) withdrew, and therefore one will withdraw; this the more so because one is convinced that the benefits obtained by the organization are collective goods in the sense that they cannot but benefit members and non-members alike (Olson 1965:11-14). Since everybody reasons like this, the collective good will not be provided on a voluntary basis; there must be some degree of coercion or side benefits to persuade people to join.

The core idea, then, is that everybody prefers to take a free ride, but the consequence is that no one actually will ride because there is no one to provide the necessary vehicle. The limitations of the theory should be clear: Olson addresses the problems of large groups, and only to some degree small groups (Olson 1965:2):

Indeed, unless the number of individuals in a group is quite small, or unless there is coercion or some other special device to make individuals act in their common interest, *rational, self-interested individuals will not act to achieve their common or group interest.*

In small groups where the contributions of each member are identifiable and discernible, both for each contributor and for the other members, and where the contribution is considered to be worth the costs, the matter is different. That observation is helpful when one wants to understand how it is possible to mobilize individuals to collective action and keep them mobilized under conditions where there is continuing and active social control by members vis-a-vis one another. Olson has a short discussion of "intermediate" groups, i.e. groups of such a size where there is no incentive for individual members of the group to provide the collective good themselves, and at the same time any contribution (or lack of contribution) will be noticed by the other members of the group. Olson concludes that the collective good may or may not be provided (Olson 1965:50) - not a terribly exact statement.

Furthermore, Olson does not really address anything but a situation of continuing theoretical interaction as in the perfectly competitive market; how that continuing situation could come about is not discussed; in other words, Olson does not ask how (large) groups are formed and how they grow. His theory is static, he only says that groups cannot persist solely in their public good capacity if they are large. This is an interesting observation, of course, but what is then needed is a discussion of what factors may enhance cooperation in large groups, since it is obvious that some do exist. This would, however, require that the rigorous assumptions of Olson's rational actor be relaxed. In addition, organization theory might be helpful to identify mechanisms that keep people from leaving the group. Among economists, Albert Hirschman's (1970) ideas about *voice* and *loyalty* are concepts of considerable interest to account for such behavior. Sociologists and political scientists ought to be able to come up with a more refined vocabulary.

Indeed, Lindblom (1965:66-84) has given us quite a range of concepts to analyze mutual adjustment among actors. Since the book was published before Hirschman's, he could of course not reflect upon it. I see a definite parallel to situations of *voice* where the actors then do not just express an opinion, but induce reactions from one or more other actors, as is Hirschman's case:

Voice is here defined as any attempt at all to change, rather than escape from, an objectionable state of affairs, whether through individual or collective petition to the management directly in charge, through appeal to a higher authority ... or through various types of actions and protests .. (Hirschman 1970:30)

In other words, we are analyzing situations where action is part of a strategy. Hirschman presupposes some degree of hierarchy, but we may non-

etheless assume that the parties involved are to some degree in a relatively symmetric relationship so that neither unconditionally can alter the situation for the other one - or at least realize that although formally they may do so, it is not a feasible option for whatever reason. In Hirschman's case it is unwise not listen, even for the management, because those voicing concern convey the message that there would be a risk of exit of customers, voters and/or other supporters, unless new forms of action are taken. Therefore, this is a situation of *negotiation*, not just a voicing of preferences.

Since the desire from those using voice is to get a response from other decision-makers, we are within what Lindblom (1965:33-34) calls manipulated adjustment. First, the negotiation, the situation where the idea simply is to induce a response from the other party. There are, however several special cases of negotiation: the *partisan discussion* where the parties exchange points of view of the possible "objective" consequences of various forms of action, the *bargaining* where responses are provoked by conditional threats and promises, the *bargained compensation* where the parties make conditional promises to one another, and the *reciprocity* where the parties induce responses by calling in an existing obligation or acknowledge a new one.

The "minimal" strategy probably would be the partisan discussion where information simply is put forward about the problems at hand, i.e. what the consequences are of proposed or factual actions, and the "maximum" strategy is where the parties can make bargained compensation so that all parties see themselves as gaining from the interaction. The minimal strategy also includes situations where the other party does not - as assumed by those starting the process - react; the statements then serve the purpose of making clear to other observers what is wrong, according to the opinion of the actor making the statement, and thus legitimizing later action (including an *exit*, the statement then is "slamming the door").

A further strategy is *indirect manipulation* where one party uses some of the strategies above to induce a third party to affect the second party to reach the desired decision. This probably is a very common strategy among seasoned bargainers - why face "the enemy" directly if you can make some one else do the hard work!

To sum up, the mechanisms discussed above may indeed be useful in analyzing some of those cases where collective action does take place, particularly as a reaction to what is seen as harmful to certain interests. The categories by Lindblom serve the purpose to distinguish between different types of communication between the parties involved, and differentiates between types of situation that deserve a better fate than being brought together under the heading of *voice*⁴.

4 The comments above are not meant to criticize Hirschman's book which I see as primarily challenging the economists for their lack of recognition of the possibilities of *voice* and challenging the political scientists for their equal neglect of the possibilities in the *exit* option (cf

2.2.1.2. Game Theory.

Game theory is based on the rational, self-interested actor determined to maximize his material welfare regardless of the costs for others.

The classic game is "prisoner's dilemma" (Hardin 1982) where two individuals suspected of armed burglary are questioned separately by the state attorney. They did not know each other until they agreed this one coup. The police lacks clear evidence to convict them, and therefore the attorney offers a lenient sentence to each of them if he confesses and thus becomes the state's witness against the other one who will then get a sentence as the main culprit. If neither confesses, they can only be convicted for illegal possession of firearms. If both confess, they will get an intermediate sentence.

For each individual, the options are clear: Be silent and risk a maximum sentence, or squeal and be assured that you will only get an intermediate term in prison. For the observer it is easy to reckon that both should adhere to a Kantian principle and do what each would prefer the other one to do to oneself, but neither trusts the other one, and the collective result therefore is sub-optimal to both of them, to say the least, but on the other hand, it is not the worst possible outcome.

Elster (1989:24) states a collective action problem as a n -person non-cooperative game, meaning that the players make their choices independently of each other. He defines this as a *problem* because the players do not cooperate except under very specific circumstances. Collective action can be found without that problem, and explaining such a success is Elster's concern.

Our aim is not an in-depth discussion of the merits and demerits of game theory. There can be no doubt that for generating theoretical propositions, game theory is extremely fruitful. We want to note, however, that the general conclusion of the lack of cooperation has been challenged, and not only by Elster. The prisoners's dilemma has been treated in detail by many authors, and it has been refined to incorporate n players (cf. e.g. Taylor 1987), to be iterated a few and many times (Axelrod 1984), and the pay-off matrices have been changed to accommodate for different institutional settings (Taylor 1987), with characteristic names like assurance, stag hunt, chicken, battle of the sexes etc.

Although a theory based on the prisoner's dilemma explains why actors do not see their interest in cooperating with other actors in collective action, the real world shows that people do cooperate in collective action. That observation calls for explanation. One such could be based on the charac-

teristics of the game. The prisoner's dilemma game is a highly restricted theoretical construct. The players do not know one another except for one short incidence (crime) which failed; they do not expect to see one another again; they cannot communicate during their process of choice. In other words, they have no past obligations to fulfill; they do not expect to be confronted for their particular choice in the future, and they have no way of influencing one another e.g. by indicating solidarity. No wonder, then, that they choose the solution that is less beneficial for them than if they had both chosen to not confess. Their calculus is only directed towards the future: if one stays silent and the other squeals, the silent one is the sucker and must spend a long-term sentence in prison. If both squeal, there will only be a medium-term to spend. So play safe and squeal.

A crucial aspect of this kind of game theory is that the game is non-cooperative, i.e. that the players make their decisions independently of one another (though not necessarily at the same time); there are no external mechanisms for enforcing commitments or promises, the players cannot make binding commitments (Rasmusen 1994:18). The players do not communicate about the preferences behind their choices, there is no idea of particular properties of the process leading to the choice and hence the players cannot e.g. agree on side-payments⁵.

Such a calculus is one perfect example of the economists' way of thinking within methodological individualism. What are the benefits, and what are the costs of a particular choice, and that choice only (although foregone pleasures may be incorporated)? There are no past commitments, no considerations for competitors, no expectations to the future other than the particular choice under consideration. This is the individual on the marketplace shopping around for a bargain. It is, however, hardly the most typical circumstances for people facing the opportunity to solve a problem by common action.

Hardin (1982:158) has shown that under dynamic conditions, the general conclusion of non-cooperative behavior in the game does not apply, analytically he shows that there may exist a contract by convention, i.e. social contracts sustained by moral obligations, tacit consent or fair play. This indicates that the general model of the economic, rational actor may not always apply.

If we turn to another way of thinking, in sociology, the story may be somewhat different. *Homo sociologicus* is remembering the past, currently assessing the favors given to and received from other fellow human beings. The resulting network among the actors is the basis for any action, and the

⁵ In other words, non-cooperative and cooperative are not terms referring to the amount of conflict involved in the game.

future is so to say determined by these past commitments rather than by the expectations to future benefits.

Such an approach can be approximated in game theory by referring to the "battle of the sexes" where the situation is that a married couple faces the choice of spending the evening together, which they would like to do, but one prefers to go to the theater, the other one to the movie. Or, a much common situation among the modern two-income families, the couple must consider a number of offers for jobs in different cities, where typically each city offers fine opportunities for only one of them, while the other one must take a less satisfactory job if they move there. Such a problem can be solved by expectations to the future, but much to the detriment to one of the parties, or it can be solved by taking the joint benefits into account. The married couple thus takes the past commitment to honor and love each other as an incentive to find the solution that gives maximum joint benefit regardless of the distribution between the parties (Scharpf 1988:37).

Another theoretical development of prisoner's dilemma has taken these problems into account by introducing iteration of the game. Repetitive games change the whole structure of the perceptions of pay-off for the participants, the most successful strategy appears to be to cooperate unless the other actor defects; in that case one should also defect in order to punish the other actor, thus indicating what the only proper way of action should be - the name of that game is "tit for tat" (Axelrod 1984).

Based on a discussion of the dynamics of a prisoner's dilemma game, Taylor (1987:168-75) argues that the presence of the state makes positive altruism and voluntary cooperative behavior atrophy. The more the state intervenes in matters of providing public goods, the more "necessary" it becomes: the state is like an addictive drug on which we become dependent (Taylor 1987:168-169):

In the presence of a strong state, the individual may cease to care for, or even think about, those in his community who need help; he may cease to have any desire to make a direct contribution to the resolution of local problems, ... The state releases the individual from the responsibility or need to cooperate with others directly; it guarantees him a secure environment in which he may safely pursue his private goals, unhampered by all those collective concerns which it is supposed to take care of itself.

There is no particularly theoretical argument behind this assertion other than (based on Titmuss' (1970) discussion of blood giving) altruism creates altruism, and when the state reduces the need for altruism, it will die out as a social relationship. Taylor criticizes mainstream theories on individual behavior for being static in that human nature is taken as given. For instance, that goes for preference structures. He suggests (Taylor 1987:176) that a

combination of egoism and altruism forming the utility function of an individual will alter over time in a way which depends on the player's choices in previous games and on whether these choices were made voluntarily or as a result of the presence of state sanctions.

This contention is yet a version of the general thesis that structure influences the actions of individuals, but also that individuals are able to change the structures over time.

2.2.1.3. Common Property Resource Management.

The "tragedy of the commons" was coined by Garrett Hardin (1968). Brutely stated, his theory is that people who act rationally and self-interested will exploit common-pool natural resources - i.e. natural resources that no one can restrict the use of e.g. by claiming property rights - with no regard for the consequences for other people and/or the physical environment, and consequently, if sufficiently many actors use the resource, they will continue to do so until it deteriorates. Peasants having common grazing fields will add cows even though they see that there is not enough grass for all the cows to eat well; fishermen will continue fishing even though they realize that the fishing results in fewer and fewer fish, industries will continue polluting the air even though they may realize that the result may be a destruction of the ozone layer, etc.

The rationale behind this collectively-self-destructive behavior is that the individual actor has no incentive to refrain from using the common-pool natural resource. If he retires a few cows, there is only an incentive for his neighbor to put a few cows more on the field; if the fisherman stays home 2 days a week, there are better fishing opportunities for his competitive colleagues; and the individual entrepreneur sees no reason to change his energy sources to more expensive ones as long as his competitors use cheap coal burners.

Common sense seems to call for central government interventions into such problems. The EU Commission allocates fishing quotas to the fishermen of Denmark, Great Britain, the Netherlands, Belgium and Germany to regulate the fishing in the North Sea. Governmental agencies determine the amounts of sulfur dioxide that industries may emit. Another standard recommendation for stopping overuse has been the development of property rights allocated to the individual users so that each and every one by personal responsibility for the use of the resource can find the optimal limit for use.

But research has shown (Ostrom 1990) that there are other options; it is possible for people to set up their own institutions for collective action which successfully regulate the uses of common-pool natural resources so

that they do not dry out, become emptied for fish or are changed into a desert. Alternatively, the interested parties may be able to change the system of rules within an existing institution regulating the use of an common pool resource, often by first closing the access to the resource so that any user must be subject to such rules (Gardner, Ostrom & Walker 1990).

The setting up or changing the rules of institutions is no guarantee for success, though. Ostrom (1985:9-20) sets up a number of conditions to be met if such an institution shall have a chance to succeed (for a much more complex discussion, see Ostrom 1990 chapter 6).

First, a user group organization must exist with a common understanding of *who* is a member of the group, the *basis for access* to the common-pool resource, how to make *coordinated strategies* for using the resource, and how to *resolve conflicts* over that use. Second, the group must share a common understanding of the *problem in using the resource* so that the strategies developed make sense. Third, the group must have a common understanding of *alternatives* to their chosen strategy of coordination in case harm is nonetheless done to the resource. Fourth, the group must have a common perception of *mutual trust and reciprocity* so that no one feels tempted to defect from the strategy with the possible result that all cooperation cedes. Finally, the group must have a common perception that the *costs* of making strategies etc. *do not exceed the benefits*; e.g. those with possibly less outcome of the cooperation must still find it worth their while to participate; this could mean that those with more at stake must also invest more of their time and resources in making the cooperation work.

These general conditions are followed by some more specific recommendations which -we shall not pursue here. The experience is clearly based on a perception of individuals actively involved in a continuing process of making an institution work, not by fixed rules but by flexible means, ready to revise any strategy that does not yield the expected outcome. Participation in such an institution thus is a demanding endeavor, and by saying that it is also indicated what may make such an institution collapse.

Such individuals do not fit into the general model of rational, self-interested economic man; for he is interested in immediate material maximum gain, which the cooperation with such an institution will not yield. On the other hand, it may generate gains also in the future, but that is precisely the kind of calculus that is seldom seen in game theory. Elinor Ostrom (1990) has made an extremely important enhancement of theories of collective action by pointing out that under certain circumstances, local people cooperate for mutual benefit without initiatives coerced by external agents - but often with the help from external agents, called upon by the locals themselves.

At the same time, however, it is clear that survival is not just contingent on the continuous involvement of individuals. The institutional rules and to a certain degree the relations of the user organization to the larger community also play a critical role. Rules must be of a character that is simple and at the same time nearly self-enforcing so that any break of the rules is sanctioned.

2.2.2. *The organizational perspective.*

The discussion above has been based on individuals and their choices founded on preferences. What do those following a more organizational research design have to say on these matters? What about choices made by organizations? And what about actions where actors are difficult to identify?

2.2.2.1. *The rational organization.*

The organizations discussed under this heading have in common that they are ascribed some degree of instrumentality in their modes of operation. There are goals to be set, and choices among instruments are considered to be crucial.

Such organizations are not individuals - are they capable of having preferences? The literature on international politics indicates that it makes sense to use game theory in order to explain decisions "under anarchy" in the absence of a central authority to keep order among non-cooperatively minded states (Oye 1986). Game theorists do not question that states have preferences; a game-analytic perspective requires analyzing states' motives and how their preferences map into payoffs within a game model (Snidal 1986:40). Such preferences can be determined inductively by comparing different choices in different situations, and/or they can be derived from archives, memoirs and policy statements. Precisely how these preferences are formed is outside the interests of game theorists; as Snidal (1986:42) notes, this could imply going into a decision-making process approach which is competing with rather than complementing game theory.

One example of such a competing approach could be the bureaucratic politics approach (cf. Allison 1971). If we take into account what such studies inform us about the processes, could we infer anything about the rationality of the type of actor that performs on behalf of an organization - an actor we could call a composite actor? Let us assume that such composite actors are inherently rational: they have preferences which can be ranked; they are informed about alternatives; they maximize their gains, given the preferences; and they act consistently.

The reason why composite actors may act rationally according to given preferences is to be found in the decision-making structure constituting the basis for preference formation. In a negotiation between firms, public

organizations and even between states, most of the action takes place between teams of negotiators acting on behalf of their organization within the constraints of instructions made before the negotiations started. Normally, such instructions are to be followed until permission to deviate can be granted. Alternatively, the instructions may be phrased as bottom-line and upper-limit boundaries within which a solution can be accepted, the precise point will be determined by the outcome of the negotiations. Such instructions are perfect examples of explicit preferences which the actor - the negotiator or negotiation team - must adhere to, and which are not alterable in the short run. In such cases, crucial elements of the rational actor model are present.

The more such preferences are based on compromises between different factions of the mother organization, the more difficult they are to alter and the more we approach the basis for using game theory which does not immediately take changing circumstances into account and where the actor performs rather mechanically. Perfect examples of such behavior can be found in the negotiations in the EU council of ministers where the Danish member in several cases has had a binding instruction from the market committee of the Danish parliament (Jacobsen 1994) where a majority can be formed circumventing the parties behind the government - which nearly always is a minority coalition.

In so far as the actors are composite, then, they may be rather inflexible due to the elaborate procedures in forming the preferences (instructions), they may be insensitive to rapid changes in the negotiating environments because of the rigidity of their preferences, they may be risk averse, and they may have difficulties in compromising. They will probably be maximizers of own benefits and due to the links to the mother organizations they are not willing to try and take the perspective of their adversaries.

2.2.2.2. Other forms of rationality.

There are other approaches stressing the problems of assuming rational processes of preference formation in organizations. Such organizations are ascribed less instrumentality and more emphasis is put on their normative role as creators of human responses to problems in the organization and in the environment. We shall approach this by starting outside organizational research, and then gradually proceed to involve organizing factors, if not organization proper.

Analysts of social movements pose the question how an enthusiastic birth of a group of people working intensely towards some common idealistic goal may turn into a more organized, coherent venture - or die a quiet death. Is there some sort of common dynamic? Tarrow (1994:118-134)

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discusses a number of ways to, first, *frame* collective action in some common cultural bonds, securing that symbols form a continuing and visible element of the mobilizing process, and second, securing further progress towards *strategic* action by forming consensus and then using the media for communicating the strategies to a wider audience. The next step towards endurance is to get organized, which according to Tarrow (1994:135-136) has three understandings: to set up some degree of formal organization to implement the goals of the movement, to organize for common action demonstrating the basic ideas of the movement, and to mobilize structures linking the work in the field with some kind overarching leadership to coordinate action. Of these, only the second of demonstration is visible to the public and is the basic activity binding participants emotionally to one another, but the first and third are the ones important for the movement to survive beyond the very short run.

In other words, even the most "wild" outbursts of human reaction must infuse some elements of rational organization if they are to live on. Given the special character of its base, protesters etc., such organizational endeavors require quite sophisticated skills by a determined leadership to make the organization robust towards opponents, but still flexible to satisfy the changing demands of the members (Tarrow 1994:136)⁶.

Organization, then, is the key to continued existence of collective action. Begging the question whether some activists-see this as desirable, what attributes of the organization and its processes may one then point to as important - beyond the ones of the "rational" organizations above for such persistence?

McCarthy & Zald (1987) point to the crucial role of resources which must be mobilized to the support of the organization - from media, authorities and other parties, and by interacting with other movement organizations. Resource mobilization theory thus moves the focus of the analysis away from a preoccupation with the resources of the direct participants in favor of a broader array of possible assets outside those working directly for the cause. Furthermore, some strategic actions to secure resources beyond the immediate need for the cause are taken into account, including to win the support of a broader mass public and media for the cause, and introducing some flexibility in the targets set for the collective action. Finally, the existing codes for organizing embedded in the traditions of society⁷ may be used more efficiently, including to make use of the

6 By this I do not mean to imply that social movements must necessarily organize or that such organization is desirable in any particular way. I just report on factors important *in those cases* where participants want to continue their efforts.

7 McCarthy & Zald write (1987:20): "Society provides the infrastructure that social movement industries and other industries utilize."

professional capabilities of members, their access channels to institutional centers, their working conditions giving them opportunities that an assembly line worker would never experience, etc. (McCarthy & Zald 1987:19-20).

Such an approach naturally may tend to redirect the interest of the researcher from the narrow cause of the original movement into a broader organizational analysis, a fact that may cause some alarm among the members of the movement who tend to discuss mainly in terms of the cause, not organizational features. For our purposes this is of no importance, we are interested in collective action in general, not just social movements, and the idea that resource mobilization may be important for the persistence of collective action surely seems valid from that perspective. Nonetheless, as Klandermans (1991:30) notes, the resource mobilization approach does not take into account mediating processes making people attribute meaning to events and interpret situations - the original approach may be subsumed under the rational actor approach⁸. But in actual use, one can hardly neglect that resources are not just accrued in an empty space for their own sake, but in a social context; resource mobilization thus should not be studied for its own sake but in relation to the target of the collective action and the meaning ascribed to it by the participants and by opponents as well.

We may now leave the special insights of the social movements behind and ask the question how to analyze organizational responses to the concept of meaning. There are several reactions in the literature how to analyze it; one is to stick to structural analysis, the other is more actor oriented.

Among the first, some models stress the role of routines and standard operating procedures, in the extreme case being applied to any new problem whether they fit the problem or not. In such extremes, there is no preference formation or organizational analysis of the problem; action is taken as it was done yesterday and by using the concepts available in the organization rather than those that are related to the problem at hand. One such example is given by Olsen (1991) where the Norwegian central administration in the 1970s applied the standards for merchant ships to the new concept of oil rigs, disregarding some of the particular facets of such "vessels". Thus standard ways of thinking dominate new problems, this is one aspect of what March & Olsen (1989) call the logic of appropriateness, much parallel to concepts like organizational culture, prescribing the members of the organization the proper conduct in particular situations. Thus, the structure and its mediating channels (culture) determine action. It is in a way interesting that the fathers of the garbage can model have turned to a structural model where the original garbage can was much more process oriented.

8 Zald (1991:350) names Olson (1965) as a very important inspiration to the approach.

The second, more actor oriented version leaves actors with more choice. One crucial element is the cognition of institutional factors and the ensuing active use in reinforcing the organizational basis for action e.g. by resource mobilization. In the instrumental understanding of the organization described in the previous section, the relations between goals and means is crucial. But there are other organizational factors of importance which expand the ideas of meaning. People acting within the organization reinforce and change practices over time, and one can follow their actions empirically. Activities do not just "happen", but are part of the work procedures employees put in use. In many cases, they do not make any particular analysis of goal-means relations, but simply act as they see fit, sometimes changing the process incrementally to adapt to (minor) unusual occurrences. These observable and conscious defections from standard responses are important as indications of change, maybe permanent, maybe just for that particular case. Consequently,

structure exists, as time-space presence, only in its instantiations in such practices and as memory traces orienting the conduct of knowledgeable human agents. (Giddens 1984:17)

which means that the organizing factors of an organization only work as long as they are accepted to do so. We may conclude that the more organizations remove themselves from a rule-oriented system towards an *ad-hoc* working entity dealing increasingly with problems of risk in e.g. environmental affairs and with links to probabilities like in addressing problems of unemployment, the less rules of appropriateness may apply, and instead we encounter strategies seeking to accommodate individual problematics of the organization (environmental affairs) or the individual (unemployment). This also may mean transcending the organizational boundary and cooperating with other public or private agents who happen to be relevant to the particular case.

2.3. (Re)Conceptualizing Collective Action

We have seen that there are theoretical arguments for the lack of collective action, based on methodological individualism, where the topic is cooperation among individuals linked to one another by a non-binding relationship. Within collective approaches, cooperation is more taken for granted; the topic is cooperation among individuals linked to one another through some minimum of common organizational relationship. Within methodological individualism, the analysis is founded on individual's self-interested reasons for (not) cooperating, within the collective approach, there is a conception that individuals have an inherent willingness to cooperate.

There is a certain parallel in the dividing line between individualists and communitarians (Avineri & De-Shalit 1992:2-9). In terms of methodology, communitarians argue that the rational individual, choosing freely, does not exist and that people can only be understood in their social, cultural and historical contexts. The response from individualists is that people cooperate if they see their personal advantage to do so, and this utilitarian perspective is the correct one to grasp human behavior from. So far so good, but the parties also engage in a normative discourse on these points, the communitarians holding that there are intrinsic values in maintaining relations with our fellow members of the community, and hence an obligation to cooperate to a certain limit. Some of the individualists would concede that there is a certain need for individuals to have a community to identify with, or that the community may not be totally alien to individual thought; nonetheless, this does not mean that one can deviate from the priority of liberties - rights may not be pushed aside for the sake of any idea of the common good.

For the sake of clarity, it should be clear that I take neither position. Methodologically, the discussion below leads to the stance the communitarians hold, but it does not mean that I accept all the particular communitarian demands that may be found regarding the moral standards of people's behavior in the locality. In particular, I endorse the right to act otherwise than the majority and the right to be passive in a number of relations (cf Fox & Miller 1995:36-39). But let it be clear that I regard the communitarian/libertarian debate mainly an American problem prompted by concerns that are only remotely relevant for political practice in those places I patronized. In line with this discussion, we try to find a middle ground for analysis.

Even within the methodological individualistic approaches, we have seen examples that people do cooperate under certain circumstances, first of all by the realization of some self-interest in doing so. This may be due to some degree of coercion or a threat of coercion, in general due to some degree of state regulation. So cooperation may be obtained by centralization of power, e.g. to an outside (state) agency to regulate the behavior. But there also is a possibility that people cooperate if they themselves can set up the conditions for that cooperation, and if they can themselves monitor that cooperative institution. In addition, one can conceive of decentralized

9 To be more specific, I know of no Pat Robertson preaching a National audience to favor a conservative presidential candidate, no death-row inmates suing the state for cruel punishment because they are denied artificial insemination and hence their future generations are executed also, no one suing a school because their son was denied admittance in an honor class and hence his right of free speech violated (examples from Introduction in Etzioni 1993).

groups nested into a larger network of institutional mechanisms for solving problems that cannot be solved locally, i.e. as a sort of safety valve.

There are disagreements as to the role of the problem to be cooperated about. Hardin (1982:xiii) discusses collective action logic in general and turns down any idea that special substantial problems are to be considered; that would be equivalent to parceling the theory. In contrast, Ostrom (1990) shows that the policy problem may be crucial for even analyzing collaborative behavior.

Elster's (1989:15) answer to the collective action problem is that when collaborative endeavors fail, it is because bargaining breaks down. *So institutional arrangements facilitating cooperation between individuals are important for collective action.* The rest of this book will discuss such institutional arrangements and methodological problems in studying them. We need not at this point go into the precise incentives encouraging individuals to start collective action.

The real issue of the literature, then, is not individualism versus collectivism, but *the degree to which the assumptions of the actor permits him to engage in cooperative behavior.* What is meant is not that these actors have to engage in consensual relations, it only means that they can exchange points of view and amend their principles - preferences - in the light of this information. In other words, the social dynamics comes into the development of the relationships and the points of view of the actors, in stead of having preferences of the actors locked. As long as there is such a non-cooperative foundation of the interaction process, there is little dynamics involved. As soon as a possibility of cooperation is introduced, the whole analysis is changed.

At stake, then, is the basic concept of rationality. Rational actors maximize their benefits and take nothing else into account. It is easy to act rationally in a number of situations where trading is the theme, like in computerized dealing of bonds or other assets. The main factor is using available information as price signals and act accordingly. No individual contact is necessary to trade, as long as the necessary elements of trust or security are there to let each dealer enter the system of trading. The dealers do not interact about other themes and consequently act rationally. Similar understandings can be upheld for international politics as long as the actors, the statesmen, restrain themselves to send signals of policy to the adversary and not get involved in personal communication. So one may signal warnings by moving troops, by declaring intents, limits for acceptance etc., and thus stay rational. Likewise, production plants stay rational by not informing the public about the composition of what their smokestacks emit, as long as nobody knows about it, there is no basis for interaction, i.e. intervention by outsiders, and hence profitability can be optimized.

Social interaction changes these preconditions. When individuals get involved in personal communication, a number of other factors that the rationalized signals become important. Dealers invite one another to lunch, to their homes, know each others' families etc. The same goes for statesmen. Many steps are taken precisely to create personal ties between actors to establish personal bases for trust and understanding. At the same time, of course, a basis for deception is created if one of the actors breaks the underlying rules which the other party would expect to be followed - the Habermasian ideals of being sincere, attentive, and to contribute in substance to the solution of common problems (Fox & Miller 1995: 120-127).

Whether or not the actors follow such particular rules of the game is not important here. The point is that social interaction changes the basis for analysis into something more complex, from a fairly simple and computer-ready simulation of a non-cooperative game into a whole other understanding of social life.

In the discussion of organizations above, we saw that organizational procedures may help actors to approach the rational ideal in that internal processes aim at building up priorities for the organization which the actors representing it vis-a-vis other organizations have to follow. But there is also evidence that such rationality cannot always be obtained, as indicated by Garbage can analyses.

These reflections point back to the discussion above leading to the concept of the *actor-cum-structure*, where structure is a mediating element for influencing actors who in turn over time may change structural elements. Important was an understanding of the cognitive processes indicating how individuals understand the world around them, and how they react, not passively as structural dopes, but actively reflecting over their experience with other actors.

For the purposes of the remainder of this book we may now (re)define the concept of collective action:

By collective action we mean a process where actors organize for joint decision-making for one or more purposes and, in doing so, give up some of their autonomy and give up their freedom of action in favor of the joint decisions regarding that purpose.

The purpose may be mainly *action-oriented* as e.g. security against intruders or running a day-care center. It may also mainly be *symbolic* as e.g. the being a member of the "Moral Majority", but only in so far as the collectivity does in fact make joint decisions in order to use the symbolic action for a purpose. Purposes may also be mixed as in membership of a political party where both activism and symbolism prevail. In theory, the number of

purposes is unlimited - at some maximum we approach the idea of the (welfare) state. The important point is that the members share an interest and want to pursue it in collaboration with one another. In other words, the conception is not limited to the public good as defined by the economist, where jointness of supply and impossibility of exclusion are the determining factors (Hardin 1982:17). When we speak of collective action, it is because people take joint decisions regardless of what any kind of theory has to say of the subject they choose to organize around.

The *loss* of some degree of *autonomy* is an important requirement. This creates tensions among individuals, and in cases of disagreement one must either follow the decision of the majority, or one must leave the group, once the possibilities to deliberate the subject are exhausted. Consequently, political dissidents leave the party, dissatisfied tournament players find another club etc. Citizens accept the laws until they manage to organize for the law to be changed. One subtle point is whether one at all wants to be part of the "game" (Hardin 1982:30), what options an individual has not to accept what other members perceive as prerequisites. Is there an option for workers not to join the union? If formal demands do not exist, are the informal pressures then strong? Such questions are not open to citizens, once you have opted for citizenship in a particular state, all burdens and benefits are equally shared.

Decisions are taken *jointly*. This does not mean that every individual has to sanction each and every step in the process, it may mean that some take decisions on behalf of the others, or that decisions are taken by any one entering specified situations, according to the rules of the institutional arrangements covering that situation.

Therefore, it is important to understand what institutions mean for collective action. Given the fact that all western societies have large public sectors, and given the fact that the citizens cannot escape membership of that public sector - which is parceled out in various ways according to the political organizational pattern of that society - it is clear that it is collective action at a grand scale. We need a discussion of the relationship between public sector collective action and more voluntary collective action. This is what the next chapters does.

3 THE PUBLIC POWER AND STATE THEORY

In this book we are interested in the state because it has important implications for collective action. One may assert that it is the most potent form of collective action - the national state acting on behalf of its citizens indeed has shown a capability for action second to none. But the national state is an entity linked to the notion of the modern society. Increasingly, that form of state as a concept has come under fire regarding usefulness in the present society. Several questions have been raised: Is the state an entity, autonomous or not, or is it a hybrid, basically run by individuals or by relatively autonomous organizations? Are we interested only in the state as such, as an organization, or do we have an interest in the role of the state in the society, generally or in specific contexts? Furthermore, are we interested in the political struggles related to those roles, as they unfold based on aspirations to conquer positions reinforced by state power - or as struggles between incumbents of such positions?

The concept of the state is an old one in the social sciences. It is of interest to all disciplines, but for varying reasons. In actual research interests, the disciplines overlap to a considerable degree (in many German universities, political science is part of the sociology department), but one might nonetheless venture the following categorization. The state in political science is the authoritative allocator of benefits, and important research questions concern how actors come into power positions related to that allocation. The state of sociology is the largest collective within the nation, and important research questions relate to the symbolic role and the integrative forces in the society, led by the state. The state of economics is the authoritative moderator between buyer and seller, i.e. of contractual relations, and important research questions go into how the allocative efficiency in the society fares under various types of state intervention.

We will approach the state from the perspective of political science and sociology, combining thinking across the disciplines. The main question is: In what capacity is the state of interest for individuals and groups involved in collective action? As in the rest of the book, the discussion relates to states of the Western type.

3.1. Typical Facets of State Theory

In chapter one we discussed a development towards stronger individualism and at the same time an internationalization. Both trends can be seen as creating problems for the understanding of the state as the largest collective within the nation (sociology), and as an autonomous entity (political science).

We shall not pursue a comprehensive discussion of state theory and how it fares, this would demand a book-length manuscript (like Hoffman 1995). Suffice it to say that regarding the largest collective, only authoritarian states (many of which have disappeared after a while) have been able to uphold the impression that one center can secure the best interest of all citizens. In all democratic societies, there have been continuing efforts to infuse diversity into the processes linked to state activities. This does not mean that large-scale diversification comes about automatically; on the contrary the research on e.g. neo-corporatism (and other versions of the theme of interest organizations and the state) has shown that powers may be quite centralized, but not only to the state, more likely to a network of centralized agents of diverse interests (Marin & Mayntz eds. 1991). Within the state apparatus, there is ample evidence that over time, more entities are created, and trends towards decentralization to local governments and/or special self-administering units are strong (Bogason ed. 1996).

Regarding the autonomy of the state, the development indicated above in itself challenges the idea of a unit making its decision without much interference from the outside. International regimes also undermine the autonomy. Nonetheless, autonomy seems to be extremely important in the political rhetoric, no politician wants to concede publicly that the elected top is not really in charge. It is then quite another question whether the diversification of the state apparatus means new forms of autonomy to the subsystems, as e.g. Willke (1992:126) would maintain with theoretical roots to Luhmann and autopoiesis. Analyzing that theme is beyond the scope of this book.

This section is subdivided so that we discuss first one of the most influential theorists of the modern state has been Weber whose ideas about the strong and bureaucratic state have been quoted time and again by political scientists and sociologists. We then go on to new facets that have crept into the analyses of the contemporary state formations, less interest in the structural sides, more interest in the processes; less interest in resources, more in power relations. Finally, constitutions have very much come into analytical focus, no wonder given the development in Eastern Europe; we are interested in constitutions, not as legal constructs, but in their role as

creating legitimate powers for action. Section 3.3 will then expand on that theme.

3.1.1. Weber and State Theory

Most state theorists use Weber's ideas of the state as having monopoly on the legitimate use of force within a territory (Fivelsdal 1988). Understanding the definition then means understanding the meaning of monopoly, legitimacy, force and territory. I shall not carry out an in-depth analysis of those concepts (see e.g. Hoffman 1995:33-47), but comment briefly on them.

The historical context of the definition should be made clear. Weber wrote in a period of time when the great nation-states proved their capability of integrating millions of people in large machines of war and letting them fight one another with only few incidents of error understood as defection from the common goal of fighting the enemy. There were very few mutinies in the military branches. Furthermore, the civil population of the countries involved made great sacrifices in the work for the industrial war production. Organizing both the military and the war production was a large-scale operation requiring a capacity of control which was implemented as a bureaucratic capability, and the bureaucracies of that time had the opportunity to operate to perfection. On all counts, those processes may be interpreted as the perfection of the modern society and the national state - rationalization by industrialization and bureaucratization.

Accordingly, the monopoly was necessary since no state could survive to be challenged or even doubted in its role of organizing whatever was necessary to reach the ultimate goal of winning over the enemy. On the other hand, it was clear that it would be necessary to have the population accept the measures taken by the state, hence the need for legitimate action, obtained by democratic procedures in the election of the leadership. The revolutions in Russia proved the message. Force is the ultimate means of control, and therefore it is reserved for the state; Weber did not mean that force was an instrument to be used every day. But during the war the capability certainly was demonstrated, and not only on the battlefield. The main proof of the capability rather was within the normal boundaries of the territory where the state showed its capability to maintain order. The territory indicates the limits for state action with normal means, outside the state only can act by resort to force - or by the threat of the use of force unless the opponent complies.

These capabilities, then, are closely linked to the operations of the archetype of the modern state which had its heyday in the first half of the 20th century. But as we saw in chapter 1, modernity is under change, and so

in the modern state. The traditional views of the state are linked to a number of factors which have increasingly been challenged.

The *sovereignty* of the national state is a classic feature in national and international politics, seeing armies, navies and border patrols zealously guarding the borders of the nation in order to protect it from intruders wanting to impose their will upon the national decision-makers by force. This understanding of the national state is being undermined by international cooperation in general, first of all by federative arrangements like the EU, but also by international agreements like GATT and the Human Rights convention. Lawyers and middlemen take over where military force had the potential, new regimes (Rittberger ed. 1993) determine the scope for action. Furthermore, the transactions by multinational firms which can move their profits to the countries with the most lenient tax codes show that there are more subtle ways of undermining the principles of the sovereign state; the same goes for international cooperation among trade unions. Partly as a consequence of these tendencies, it is difficult to keep up the importance of the national territory as a distinguishing factor for the state, although certain groups like refugees may still find it hard to cross certain boundaries. It is also questionable whether the state has control over the movement of goods and persons in most western societies of today. The internationalization and liberalization after the Second World War makes such control less and less likely to succeed.

If we turn to public administration, the idea of sovereignty also has played some role. The political leaders were seen as the only ones who could legitimately take decisions of national importance. Such a view does not square with the consultative character of the political processes of to-day where many interests are in advanced ask to confirm the decision to be taken (Marin & Mayntz eds. 1991). It is hard to maintain that the state is characterized by a *formally centralized structure of offices'*, on the contrary, more and more offices are being created far from the apex of power in most states; in particular by transferring powers from the central administration to local governments, Britain being one noteworthy exception (Page & Goldsmith eds. 1987). Furthermore, the state lets third parties like interest organizations and non-profit organizations administer many tasks (Hood & Schuppert eds. 1987, Streeck & Schmitter eds. 1985).

An old dogma of public administration concerns the separation of politics from administration, in that understanding the public employees only serve to find the means for the politically given goals. It follows from the above that it is increasingly difficult to maintain that such political strategies are made by the top of the apparatus, e.g. the ministers or even the prime minister; strategies are rather conglomerates based on inputs from

vastly different elements of a dispersed system of offices, networks etc. Consequently, there is hardly any *one distinctive state interest*; rather a number of interests are found which may even compete with one another in searching for the support of important other interests, and they may compete with one another for primacy in influencing the development of the society. Seen from an organizational perspective, the pyramid (hierarchy) has been replaced by the circle where the situation defines where authority may be located (Hummel 1990).

The idea of different loci of influence also penetrates the understanding of how public organizations are to interact with their environment. There is a rich literature on networks of organizations working in different types of configurations of relations (Marin & Mayntz 1991). Indeed, there are cases where observers see interest organizations and firms defining the agenda and process of public decision-making (Pedersen & Nielsen 1988).

Some state theorists have stressed the separating line between the state and the rest of the society, the state being a particular structure operating on its own logic. Such *differentiation of the state from civil society* becomes difficult to sustain as more and more of interest organizations are involved in preparing and implementing the state policies for the future. One example is the monopoly of coercion, which is one most state apparatuses keep reserved for their purposes, but increasingly not as part of a unified, internally consistent hierarchy. And in some nations, one sees formal private organizations perform the roles of authority in private police forces and prisons. It seems, however, that the implementation role is kept distinctly "public" by means of e.g. an oath procedure where officers are sworn in as representatives of the general public.

Although the state concept(s) thus are being challenged, the state is certainly still a topic in political science. Maybe it was mainly political science of the mainstream American type that for a time forgot the state in favor of the political system and similar concepts while in continental Europe, the concept of the state was hovering in the background most of the time. In the US, the book *Bringing the State Back in* (Evans, Rueschemeyer & Skocpol eds. 1985) has triggered off a round of discussion on the usefulness of the state concept while in Europe, Marxists developed their ideas about the state into much more refined versions than were seen in the 1970s and early 1980s (cf. e.g. Birnbaum 1988).

The interest in analysis of the state has over time narrowed to analyses of the bureaucracy as the main agent of the state. Just to give one contemporary example we may quote a definition like Birnbaum's conception of the state as

the historical completion of a process of differentiation with respect to a set of social, religious, ethnic and other peripheries. This differentiation implies the institutionalization of the state, the formation of a tightly knit bureaucratic apparatus which is both meritocratic and closed-off to various external intrusions, an administrative law and a secular approach - all of which are barriers marking off the boundaries of the space of the state. (Birnbaum 1988:6)

Birnbaum does not directly use Weber and the resort to the use of force, but the ideas of Weber on the role of the bureaucracy and its closed nature are important in Birnbaum's writing.

Since Weber, most definitions of the state have been related his concepts as we saw above. As political scientists have expanded their interests in research to local governments, quangos, para-state organizations and other exotic fields of study, they have had problems with relating the specific subject to the general umbrella of monopoly on the legitimate use of force within a territory. A possible interpretation is that one should not really see this as a problem for the *concept* of the state, but a problem for political scientists struggling to define their subject and trying to put into a context. If that is so, one could expect older political scientists criticizing the younger for having re-invented the wheel - everything is seen at least once before. This is precisely what happened in the American discussion of bringing the state back in. The debate started by Evans et al. (1985) had a reply by Almond (1988) asserting that there is nothing inherently new in the "new statist" approach - American mainstream political scientists have always to some degree taken the powers of the state apparatus into account. Fabbrini comments (1988:894) from the sideline that mainstream political scientists may not have neglected the institutional components entirely, but they have undervalued their importance. That goes particularly for a great number of analyses of American politics, internationally there has been more emphasis on the governmental apparatus - in developing countries, in Eastern Europe and in international politics.

Based on the observations of chapter one on the postmodern society, one may take the discussion a little further. The facets outlined above - the loss of sovereignty of the national state, the reduction in the strength of the state hierarchy, the intermingling of the state and civil society, the increase of actors desiring to participate in the use of the public power etc. - point to an undermining of the received view of the state. The state as a product of the modern society clearly is facing trouble in cases where not the modern, but rather the postmodern society is the valid context.

Given the problems of state theory outlined above, it would hardly make sense to seek an integrated and institutionalized concept. Instead, a number of aspects will be discussed; first, the state as a relation and second, a restriction of that relation to the public power.

3.1.2. The relational aspects of the state.

Wittrock & Wagner (1988:17-23) - discuss several aspects of the developments in state theory. First, the conceptualization of the state tends to be constellational rather than unitary: the state is not seen as one monolith, it is a constellation of institutions, be they municipalities of the 19th century fighting poverty or semi-corporatist networks promoting industrial innovation. Second, analyses of state developments are relational rather than directional. One aspect is a focus on relations between state institutions and the society rather than a focus on specific events like the role of the state in the outbreak of wars, revolutions and the like. Another aspect of relations is the rejection of the notion of the state as a unified entity commanding things to happen in society; this notion is unable to capture e.g. what the American state of the 19th century was about; the dichotomy between state and civil society thus is blurring important bases for understanding the relationships. Third, Wittrock and Wagner challenge the notion of an evolutionary conception of societal transformation, understood as a generalized unilinear sequence which more or less can be found in all societies.

I interpret this as roughly equal to saying that there is no general model of the state, that *the* state does not exist but a number of organizations and networks furnished with public power can be found, and that no particular desirable model of the state exists waiting to be adopted by "developing" societies or any other society for that matter.

Some "new statist" go even further in mainly discussing the roles of public administrators, managers, professionals etc. and their motivations for action in and on behalf of the state. The preferences of the state are not identical to those of its officials, but represent an amalgamation; the officials' resource-weighted preferences result in a state preference after being aggregated in a conflictual or conciliatory manner (Nordlinger 1988:882). The state gets autonomy vis-a-vis the society by a number of strategies. If it enjoys general support, it solidifies it and if there are cleavages, the public officials persuade or bargain those with other views to change them. Officials may also deter opponents from using their resources, by accepting protests etc. but without changing their decisions, or even by using coercive powers to threaten and repress opponents (Nordlinger 1988:883). This is not to suggest that the state has always a greater impact on society than the other way round; but Nordlinger tries to balance internal as well as external interests and powers instead of just seeing the state as a system balancing powers outside the political system proper.

Jessop (1989) also stresses the relational character of the state, rejecting both the "state-centered" theorists giving the state a force in its own right

and the "society-centered" theorists seeing the state only as reflecting powers in the society. As the state grows, its unity and distinctive identity are diminished as it becomes more complex internally; its powers are fragmented and it becomes dependent on cooperation from forces in society for its success in intervention into that very society. This means that one research problem to be pursued is that of (state) power: a) what distinctive ways does the specific institutional and organizational ensemble under scrutiny - identified as the state - condense and materialize social power relations and b) how is the political "imaginary", in which ideas about the state play a crucial orienting role, articulated, and how does it mobilize social forces around specific projects, and how does it find expression on the terrain of the state?

These questions are quite fundamental, and they do away with the unified concept of the state. State powers can be executed, but in specific contexts by specific actors, and how and with what outcome is an open question until one specifies the conditions for action. One example of such an analysis is made by Atkinson & Coleman (1989) comparing the policy networks of industrial policies in a number of countries. They derive the strength of the state by distinguishing between networks where a) the state structure has high autonomy and is highly concentrated b) low autonomy and high concentration, c) high autonomy and low concentration, and finally d) low scores on both accounts. They then relate these four structural characteristics to the degree of mobilization of business within the sector in question (high and low) - leaving them logically with eight types of networks ranging from state directed networks to industry dominant pressure pluralism.

If one follows the results and theories above, an important corollary is that perceived in terms of networks, one cannot speak of any *one* "strong" or "weak" state; the strength varies with types of bureaucratic structures and the organizational patterns of business and other social actors *within* the nation (Bogason 1992).

3.1.3. *The constitutional aspect.*

Above we saw that an important aspect of the state as a relation is the concept of power. Vincent pursues the topic of state power, giving (Vincent 1987:218) a formal answer to the definition of the state: it is a *public power* above both ruler and ruled which provides order and continuity to the polity. The question then is what is being meant by public power and Vincent offers five substantive answers as to that question and thereby determines five interpretations of what the state is (Vincent 1987:220-221), of which one, the constitutional theory, is particularly interesting for us:

In constitutional theory the public power is the complex institutional structure which, through historical, moral and philosophical claims embodies. . . . a complex hierarchy of rules and norms, which act to institutionalize power and regulate the relations between citizens, laws and political institutions.

This gives us the opportunity to use an institutional angle to the state. First, Vincent implies that there must be a *constitution*. In my understanding of a constitution it determines the range of activities for which the use of the institutionalized power is valid. This, of course, goes for the traditional modern national state where a constitution - in a written version or created over time as common (law) understanding among actors - forms the rock bottom of what is permitted and required from actors. But interestingly enough, constitutions of new sorts are increasingly being used in those international regimes which tend to undermine the sovereignty of the modern state; they are often called charters (e.g. the UN) and serve the same purpose as a constitution: to determine the validity of the norms and institutional arrangements constraining and empowering present and future actors.

Second, the concept of *power* is used instead of authority. The use of authority mostly restricts the analysis to the legitimacy or perceived legitimacy of this particular relation. The concept of power offers some promise by permitting us to go into relations of exerting influence, no matter how these relations are perceived by the parties involved.

Third, *institutions* are interesting because they couple the discussion of the actor involvement and the freedom of the actors to perform within the limits of a structure. In chapter 2 we discussed the somewhat abstract dispute of the relations between actor and structure in political science and sociology. The main analytic problem was the inability of researchers to decide what is "in the last instance" decisive - is it the actor who can then form the structures in which he operates, or is it the structure, putting so strong limits on the actor that is not possible for him to change the conditions for action? Our answer to this problem is that the distinction is not fruitful; one must understand the world from the perspective of an on-going process where actors perform roles under given constraints, but in doing so they change those very constraints step by step and may even be able to turn constraints into assets.

Constitutions, power and institutions are important elements in an understanding of the circumstances under which the state conceptualized as the public power may come to work. In my understanding, there is no reason to restrict this understanding to the concept of the state. Following Weber there has been a general agreement among social scientists that the state is the only construct having the right to legitimately use physical force. But in international relations, there are cases where this authority has been given to

an international organization, namely the UN. And within the state territory we see some states contracting out traditional police powers to private firms. But one should be careful in observing what is going on in those cases. In each and every case, great care is taken to secure that the specific circumstances or validity of the actions are spelled out. Thus in international relations the use of force is usually restricted in a document determining the range of possible actions, and in the relations to sub-contractors there are likewise clear limits as to what actions the contractor may take.

If we follow this line of thought through, it is possible to sort out networks of activities based on constitutions (charters etc.) that determine the validity of institutions and the scope of actions possible, based on that constitution. The important thing in our context is that *in order to speak of a public power, it must be possible to trace that power back to some type of constitution*. Empirically, action may then be based on the provisions of a constitution of *national state*, say, Denmark, or the rules of an *international regime* like the declaration of human rights, or a clause of the EU. Furthermore, one may identify more localized special networks of interaction based on a constitutional setting for a limited group of people like a commune or even a public elementary school. From those there can be traced a connection back to the constitutional setting of the state or maybe even some international regime.

There are some reservations, however. Vincent stresses in his definition the role of a hierarchy of rules and norms. I want to challenge the hierarchical facets of that understanding of the state definition as being partly out of step with the empirical reality of the western democracies, at least if the hierarchy is understood as an incontestable one. Whereas Weber's classic concept of the state is founded on the legitimate use of physical force to carry out the will of the political holders of power (and in so far independent of society), and whereas the classic Marxist position is that the state is nothing but the mirror of the economic order (and thus dependent on society), theorists have come to the conclusion that neither position - which may be understood as an actor/structure division - is fruitful.

Therefore, I want to interpret the words "institutionalize power and regulate relations between citizens, laws and political institutions" very broadly. The topic is a dynamic one, processes of relations between actors which are often in a position to challenge one another regarding the other party's authority. In periods of uncontested interaction, there may be established hierarchical relations, but there is no notion of definite links based on hierarchy. Furthermore, as indicated above, the public power is not restricted to being a power based on a national state constitution. There may be several constitutions that apply: nationally as well as internationally based.

Some may see the link to constitutionalism as building in an inherently conservative bias in the analysis, linking the understanding to e.t. Rohr (Fox & Miller 1995). But it should be stressed that the link I draw is not intended to be normative, I do not claim that a particular constitution is the only and right document to direct one's life, nor do I demand that such a document be interpreted in an absolute way. So there is no connection to e.g. American constitutionalism and the legal battles on the provisions of that constitution for equal rights, right to life etc. and the interpretations by the Supreme Court. What I do think is that the legitimation of the use of the public must somehow be dependent on some constitutional form, but precisely how is constantly up for interpretation by the actors involved.

The institutionalistic approach of the Ostroms is a case in point. The important connection is not the specific interpretations of the American constitution (Ostrom 1991). But their understanding of systems of control at several levels of generality is of extreme importance (as expressed in Kiser & Ostrom 1982). In that understanding, constitutions are *rules about rules*, i.e. a system determining mainly who may, must or must not interact with whom under specified circumstances. The significance of this will be elaborated on in chapter 4 on institutional theory.

3.1.4. The fragmented state.

In sum, we adopt a view of the state that stresses some-degree of fragmentation, de-emphasizing the Weberian hierarchical notion without doing totally away with the possibility that such a hierarchy can exist and act through its staff.

Some observers see a development process towards a shrinking or even minimal state (Crook, Pakulski & Waters 1992:102-104). But it may not necessarily be so. There are tendencies towards marketization and privatization, it is true, but the pattern is strongest in Great Britain and the USA, in other Western countries the picture is more ambiguous. And even in cases of organizational privatization, there may be less deregulation than political rhetoric indicates (Christensen 1988), meaning that the state keeps some means of influence over market allocation.

Regarding the power patterns, I see the state as intertwined with the society and vice versa, not as a closed entity directing social actors. Above I quoted Birnbaum for an integrated state concept. Birnbaum himself has troubles with his strong state, noting (Birnbaum 1988:188) that the strongest state of all, France, from 1981 is showing signs of an opening up of the bureaucratic apparatus which is the characterizing factor of the strong state. So, though I agree with Birnbaum (1988:189) that collective action depends on the type of state in relation to which they are constituted, I see more than

one *organizational* type of stateness within the same nation, dependent on different constitutional points of departure. Each one implements different qualities of the public power which then in turn give those who want to act collectively different things to relate to'. The monopolistic side of the traditional state concept as well as the territorial aspects of that monopoly thus are challenged.

There is reason to say that the state, thus conceptualized, under present conditions is on retreat, but hardly minimized. And there is reason to reconsider that concept of the state in order to create a new platform for analyzing the emergent forms of networks between social actors wanting to pursue some degree of collective action.

But although I want to use a network approach to analyze collective action linked to the state, any network of course does not qualify. In the de-unified or dispersed view of the state it is analytically true that many sub-systems are found, but their capacity to act in a state role is nonetheless in the last resort *linked to a formal public power*. This power either can be empirically identified in one document or another, or it can be derived or deduced in other ways from a constitutional principle of the state or international regime.

For example, the incentive for interest organizations to participate in "iron triangles" or similar constructs often lies in the wish to influence a decision later to be implemented by public authorities (Damgaard 1986) - or to prevent such a decision from being made. Similarly, local governments form interest associations in order to be able to influence future decisions to be made formally by the (national) state. Professionals' organizations often do all the work linked to the licensing of their members, even though the license is a state legal document; their power in this capacity then can be traced back to a formal power. Even social movements can use the public power for their purposes, as a "political opportunity structure" (Tarrow 1994:62) where skilled actors can use part of the state apparatus for their purposes - while other parts might still be perceived as hostile and hence constraints. Thus environmentalists may find support among the professionals of a Ministry of Environment, while police forces still will object to environmental activism infringing on private property.

These powers, to reiterate, can be followed back though a chain of decisions to some sort of a constitution. The networks are given legitimacy on the basis of that constitution, which may itself be legitimized in several ways; in nation states by the sanctioning through elections etc., in interna-

1. One should note that Birnbaum's main interests are the great movements in history related to revolution, mass movements etc. while we are more interested in collective action of a lesser scope.

tional relations by explicit agreements by the actors involved, in local matters by a mix of agreements and elective arrangements. By referring to a constitutional theory of public action I do not want to specifically support the normative views that may be raised pro and contra the roles of constitutions in the policy process (See Elster & Slagstad eds. 1988). There are consequences of constitutions which may serve politically conservative interests, but they also serve to protect minorities from sudden change due to the whims of the majority, or to prevent an eager state bureaucrat from using his discretion to solve a problem that should or must be solved by (party) political rather than professional means. In this context, however, we are not particularly interested in such consequences, our aim is only to find a suitable research tool for identifying and conceptualizing our topic.

The important facets, then, are *the legitimacy linked to the use of public powers derived ultimately from an constitution, and the interaction of interests in the society trying to use those legitimate powers for their purposes.*

3.2. Collective Action Using the Public Power

The first part of this chapter was a discussion of how to understand action with and without the national (modern) state as the key component. We have not done away with the state, but we have broadened the scope of public action to being linked not only to a state constitution, but also to other regimes that enjoy legitimacy usually contingent upon the state. Our conception comprises networks linked to formal public powers in various ways. This perception is not entirely new, but it is at odds with the traditional views of the state as something rather integrated, unified, hierarchical, top-heavy etc. This disaggregate view of public action is one increasingly being agreed upon by researchers in political science, but it has yet to win general acceptance.

What evidence is there that there is a widespread interest in collective action in the postmodern society? Some might predict that since the individual is so important in postmodernity, there is no need for collective action. This is hardly a tenable position. The individual no doubt will pursue own strategies, but few probably have all the resources necessary to go ahead on their own only. The tasks taken care of by the advanced welfare state within education and e.g. day care functions still will be done by collective endeavor to some degree, but maybe not in the form of a public professional organization. And we might mention other tasks from the advanced western urbanized world where forces are joined to make the co-existence of many people within a limited area endurable.

In order to proceed, we must identify the key elements for an empirical analysis of collective action where the public power is of some importance.

These key elements therefore must be linked to the notion of the *public power* as the basic distinguishing factor of the publicness. We ask the question: Who may use the public power to act, how may they do it, and with what resources?

This leads into questions of *actors* (who), *organization* (how), and *resources* - our task is to determine how they can be related to the above understanding of the public power and its use in collective action. Much of the discussion may resemble a general state theory analysis, but at the end of each section I shall try to broaden the perspective as much of possible. Basically, the idea is as follows: The public power is discernible as a number of resources; however, these will not be worth much without some organization as a platform for action. Both resources and organization are available as public entities, but may be used by other actors as well.

3.2.1. *Resources.*

Given our definition, resources are central to a discussion of public action - resources are so to say direct vehicles for the public power. Here, we shall restrict the discussion to a fairly general level, leaving a number of concrete resources out.

First, there is the basic public power which may be made operational in two ways: *law* and *money*. The state can create rules that determine what is to be accomplished, how and if necessary when; these rules form one backbone for state action and regulation of the conduct of other actors. In addition, the state can extract money from those who are subject to its rules and redirect that money to whatever purpose that is within its power to accomplish. These two sides of the public power are well-known by the citizens who must follow the rules and annually fill out the tax return forms in order to settle the financial claims on their income.

Second, there is a resource of *knowledge* to be used for the conduct of running affairs and for new action. Such knowledge is linked to the staff due to their training, but also exists in rules, made in the past. It should be noted, though, that data in and by itself is not worth very much; it is the way that data is organized for use in action that determines whether the information is created and knowledge then can become useful - precisely as with statistical data: it is the manipulation of data by tables that conveys messages to us, not the data themselves. Consequently, files must be known and be accessible in the right situation, and individuals with expertise must be placed in the right positions. If not, the power of knowledge is a perpetually sleeping bear.

2. A vicious formulation says that the state is the only organization which can collect payment without guaranteeing to deliver anything (Kristensen 1987) !

Third, there is the creation of an *identity* which makes people prone to follow directions, even though they may not agree in every detail. Some would call this the legitimacy of the state. It may call upon feelings like solidarity or, indeed with regard to other nations, the reverse. This power is socialized into people, but of course the strength varies among countries and within countries; not everybody is prone to follow any demand from the state, and some states seemingly have stronger national symbols than others.

At the concrete level we find numerous instruments at the disposal for collective action. They can, however, be discussed under relatively few headings.

First, there are *rules for behavior*. Many such rules are material rules: requirements, permissions and prohibitions setting the standards for the policy field under examination. Here it is indicated what must be done, what may be done and what is not permitted to be done. There is a rich literature on rules in public administration (Lundquist 1987), but often much geared towards the specific national sets of rules. International comparisons are mostly found within specific sectors.

A particular behavioral set of rules concern procedures; these rules indicate who should or must interact with whom under specified conditions, more or less in connection with the rules for behavior. There seems to be a tendency towards more procedural rules and fewer material rules set by parliamentary laws. This means that the output and desired impact of the policy rules are to be set as part of a negotiating process involving the interested parties.

Second, we find an *infrastructure* providing physical facilities for those who need them for transport etc. This is the typical state instrument: facilitating a few basic needs for the citizens. This is often done without discussing the particular ways the infrastructure is being used, but in some cases, like in the implementation of town planning by zoning, rules may restrict the use of the infrastructure.

Third, there can be *in-kind services or money transfers* to facilitate the access to certain services. Only fantasy limits the range of services than can be made available by public provision of services (Heidenheimer, Hecló & Adams 1989). Most of them are related to the growth of the welfare state where more and more spheres of family life are being made part of the public responsibility - largely due to the increase in married women staying in the labor force where earlier they would care for children and the elderly in their homes³. Money transfers are given to firms or individuals in order to

3. This is meant as a factual statement. It is neither an evaluation of the desirability of this development nor an evaluation of the quality of family versus public care. Nor are the social forces behind the development taken into account or evaluated.

reduce the costs borne by them in regard to some aim. Transfers can be direct, as money paid out for the recipient to use as he sees fit, or indirect by reducing the fees for using a particular public service.

Some of these instruments can be used alone or in combination, and their exact content can be developed over a series of interaction between actors by the extended use of procedures or bargaining, therefore the precision with which they are formulated may be of some importance for the way they work. There is the possibility that the instruments are developed in a long series of interactions and thus when they are formulated e.g. as a standard, they function well because all parties involved have agreed to that content.

3.2.2. *Types of actor.*

In chapter 2, we defined collective action as a process where actors organize for joint decision-making for one or more purposes and, in doing so, give up some of their autonomy and give up their freedom of action in favor of the joint decisions regarding that purpose. What links can one think of to the public power?

We have seen that organizations can act alone or in cooperation, or that individuals can act - on the basis of organizational belonging, though. Is the actor public bureaucracy or a private organization, or some mix of interaction between several organizations? It is not only single public hierarchies which carry out public powers. This can be done in cooperation with other organizations, public or private, or by private organizations alone or in cooperation, and it can be done by agreement or by tradition.

The question can be posed whether private firms in some cases have such a strong say in a bargaining relationship with public authorities that they in fact become main actors. One should be careful, however, to identify how this relationship develops rather than just saying that the private firms decide. There may as in industrial and technology policies be national champions, and the private sector may in the last resort have the strongest say, but precisely how and when are questions that should be answered if one wants to learn about how a state carries out tasks.

Our typology, then, does not in and by itself discriminate between actors because of their formal status as private or public. They all have tasks, resources, instruments and must by means of organization change the resources into capabilities for action. Therefore, it must be stressed that the discriminating factor is the *relation between the public power and the development of these capabilities for intervention*. Private organizations or networks do not have the public power unless they have explicitly had it handed over, by written agreement or by common understanding. But in the

postmodern society, this increasingly happens, and the struggle between different actors to get this particular recognition is becoming more intense.

There is no fixed and common rationale among the actors for using the public power. In some cases there is a strong ideology contending the more normal views. Much action by the state may have no immediate or significant impact on the material Me of people, but nonetheless it spurs heated disputes because some feel that the type of action is out of bounds or that it is at odds with their basic values. It is probably the latter sense which has had most interests among researchers and therefore there is a tendency to focus on the identity of individual actors.

Political institutions may create an interpretative order by shaping meaning, and the order provides continuity and a basis for understanding political behavior (March & Olsen 1989:52). Therefore, of course, their influence in such respect must be contested by those who do not see their ideas being confirmed by the existing or the dominating institutions. The influence of institutions goes beyond ideological discourses. Any more or less coherent set of ideas relating to more practical aspects of social life may be influenced by the way institutions channel them; therefore matters relating e.g. to administrative organization of state intervention within any policy field are of interest here. In such an analysis, a distinction between state and society can hardly be upheld (Jessop 1990:303). An approach based on the state as a relation of power has more to it, the powers being institutionally determined.

3.2.3. Organizational forms.

A third element of for understanding collective action using the public power is organization. Organization is critical for the task of changing resources into capabilities for action (Lundquist 1987). Instruments cannot be used unless there is some kind of organization to structure their use and back them up.

At the most general level, there must be authorities to sanction those who do not follow the rules that prohibit certain actions, linked to some kind of enforcement. These authorities mostly are hierarchies in one form or another. They may be actively oriented in that they perform the actions necessary for seeing the rules be followed, or they may be passive in that they only react in the case of anyone bringing the necessary information to their knowledge.

One determining variable to distinguish organizations could be the degree of freedom or discretion allowed to the members of the organization while keeping the notion of organization, e.g. by determining a certain degree of coordination between the members (Mintzberg 1981). Organiza-

tional theory has come further than discussing hierarchies; in general there is a large number of organizational forms on a continuum from a strict hierarchy to social interaction of individuals with no ties whatsoever attached to other individuals - in which case there is no organization as we normally understand the word, but there will be a market-like arrangement. Typical middle forms could be the professional organization where individuals act on the basis of shared knowledge or skills, or divisionalized organizations where the coordination of a number of subdivisions takes place at a certain level of management. In addition, there is the small organization where coordination is typically done by mutual adjustment of its members.

These organizational forms could also be used to discuss inter-organizational forms of action, where instead of individuals to be coordinated we discuss interaction between organizations. A typology here could be hierarchy, federation, bargaining and social choice indicating the range from a tight control system to no lasting interaction whatsoever (Lehmann 1969). Inter-organizational forms have become increasingly used by states for involving formally private actors in the policy processes. Concepts like corporatism, neo-corporatism etc. cover some of that reality which has helped making obsolete the traditional, hierarchical conceptions of the state. So has the direct involvement of private actors in administering state rule systems and money transfers.

Over time, then, the theoretical understanding of the organization has moved from a relatively static concept like bureaucracy to a very volatile phenomenon like the network. The rationale has been changed from structure to process.

3.3. Room for Collective Action

How are the concepts useful if one wants to understand changes in capabilities for collective action? What has changed, how and when?

The trends towards postmodernity have consequences for the state, broadly construed. There is a pattern of change in the Scandinavian countries towards organizational fragmentation (Bogason ed. 1996). Denmark is front runner by giving many public service production organizations more powers with a user board of directors in charge. Communes may since 1994 set up neighborhood councils. Contracting out is becoming a widespread phenomenon. New forms of state grants enable local 'entrepreneurs' to control local projects without much interference from the commune. Sweden is experimenting with neighborhood councils and service production is more and more organized as a version of contracting out named the provider-producer model. Norway experiments with neighborhood councils and contracting out, but at a lesser scale than the two other countries.

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This development means new channels of influence from below, both from formally private and from public organizations, all to some degree using the public power as part of a collective choice process. First, local organizations and groups will press for influence on matters related to their daily affairs. Consequently, the commune must to some extent interact in a process of negotiation of terms for future interaction and substantial matters like regulations and budget or transfers from the commune. Second, local groups and organizations may get involved in creating links to counterparts in the commune, in other communes and/or to higher levels of government. The Scandinavian tradition for organizing for common interests is strong, and the local organizations may set up their own interest organization, both locally, in the region and at the center.

Consequently the commune must engage in new forms of inter-organizational and inter-governmental relations. If the local organizations engage in large-scale and extra-communal links, the commune is more or less bypassed, facing strong pressures for change and demands for resources. At the same time, they are facing an increasingly fine-tuned or large-scale web of interest organizations nationally. A parallel development is found in the analyses of functional policy networks (see e.g. Kenis & Schneider 1991, Damgaard 1986) across levels of government. In intergovernmental terms, the issue is to what extent such networks *de facto* get in control. If a strong alliance of functional interests is being built, it may be extremely difficult to break.

In theoretical terms, the postmodern discourse relates the above development of the society to tendencies towards compartmentalization. One version stems from general systems theory, an example is the *autopoiesis* thesis: the society is seen as a number of subsystems which basically operate on their own; there is a whole language structure linked to each subsystem making it operate perfectly on its own, but on the other hand preventing it from communicating perfectly with other subsystems (Willke 1992). This is a tendency most clearly visible within the academy: legal scholars may as such not understand the discourses of economists and biologists, unless they agree to transcend the normal boundaries for disciplinary communication. We are not going to pursue that line of theory because it operates at a level of abstraction that is too high for the analysis of collective action in the locality.

Another version of the compartmentalization idea is found in the *flexible specialization* conception of industrial production (Piore & Sabel 1984). This means the end of large-scale production units tooled once a year for the next year's mass industrial production. Instead, a large number of local production units are found, linked to the international community by

communication networks, able to adapt the production to new demands from design centers around the world. Physical distance ceases to be important because production can be made for local areas, adapted to local mores and tastes, within an overall general concept. Benetton is the archetype of such a production system.

A third version goes into the extreme *individualization*. This is particularly visible in analyses of communication. The technical development has made it possible for those who master some basic techniques - and who have access to adequate communication technology - to choose among so many options in data & information bases, among mass communication channels, among individualized bulletin boards for exchange of personal experiences and learning etc. What we see, then, is a world of unending choice for those who have the resources, intellectually and materially, to do so. This is not the end of the modern society with some large-scale mass production, with computerized large-scale bureaucratic management of trite social cases needing *ad-hoc* social assistance, or computerized treatment of our tax returns. The modern and postmodern in that respect go hand in hand. But the development within the public sector towards fragmentation seconds the trends towards postmodern fragmentation described above.

Those theories, of course, are very different and I only want to point to their agreement as to the fragmentation in the postmodern society. There may be several consequences for the analysis of collective action. White & McSwain (1990:49-56) explicitly discuss the consequences of post-modernity for public administration (in the US). They see many random, conflicting inputs to the political system; this development creates a constant mood of change with many new programs and interferences based on shifting constituencies of policy with few shared principles. Public administrators face challenges to mediate and structure this overflow of demands. They see a need to maintain an institutional context creating meaning for action; to engage in "reconstructing society" by mediation and to let public organizations secure consistency and links between initiatives. These tasks stress the need for public administrators of great personal integrity and wisdom who are capable of understanding action as a continuing process of cooperation between individuals and organizations.

Such lines of thought indicate why the bureaucratic paradigm for organization is being undermined, as we saw in chapter 1. There is less and less acceptance of a command system whose standardized decisions are becoming archaic in the light of the great variance of the population served. The bureaucracy is well tuned for standard problems with no time pressure, but does not fare well in a constantly changing world. The bureaucracy emphasizes the accountability to the managerial and political top, giving

street bureaucrats little discretion; but the changing environment demands new decisions which a tight bureaucracy cannot deliver in time. Barzalay (1992:117-132) sets up a whole new, "post-bureaucratic" paradigm:

- from public interest to results which citizens value
- from efficiency to quality and value
- from administration to production
- from control to winning adherence to norms
- from specifying functions, authority and structure to identify mission, services, customers and outcomes
- from justifying costs to delivering value
- from enforcing responsibility to building accountability and strengthening working relationships
- from following rules and procedures to understanding and applying norms; identifying and solving problems; and continuously improving processes
- from operating administrative systems to separating service from control; building support for norms; expanding customer choice; encouraging collective action; providing incentives; measuring and analyzing results; and enriching feedback.

The question is not whether or not this development is acceptable for specific groups in the society, the important thing is that it is happening. So, the purpose here is not to discuss the precise relevance of each and every element of this particular paradigm; it is sufficient to understand it as a part of a movement challenging the received view of many people - particularly public employees - of how government should operate. Some observers may see it as an attempt only to infuse private sector management ideals into government, but such a reaction just confirms their prejudice. The values of people may be changing in directions that do not support a uni-dimensional understanding of a public interest, and hence a basic prerequisite of the public bureaucracy is being eroded. The problems of people are getting much diversified; hence the use of 'customer' may be appropriate, not because customers create profits, but because customers are listened to. Delivery of 'value' is to be understood in this context

My interest mainly has been to indicate some aspects linked to collective public action. The above discussion makes it clear that a normal organizational analysis of the uses of the public power hardly can make sense. Public organizations and private organizations, individuals and groups working across formal organizational boundaries work together - and have conflicts - in networks that defy traditional understandings of the phenomenon. Formal organization may be important, but it is not the only vehicle for analyzing collective action. Forces in the society may in extreme

cases capture the state apparatus, but conversely it is conceivable that forces within the apparatus likewise may capture the most important power relations. In any case, there is competition to get recognition and hence the possibility to enjoy a part of the public power.

The development of political science in a way is indicative of this conundrum. Some typical topics of the political science literature of the 1970s and 1980s were planning (Friedmann 1967), implementation (Pressman & Wildawsky 1973), ungovernability (Rose 1979), privatization (Savas ed. 1977), (de)regulation (Graymer & Thompson 1982), 3rd sector (Salamon 1981). I read this list as an indication of, originally, a strong interest in making the state control important aspects of the society (planning), and then a growing dissatisfaction with what the state actually did and how it did it (implementation and ungovernability). Then came the stream of alternatives to direct state control or state action (privatization, deregulation), and an interest in hybrid forms grew with the realization that we cannot speak of an either-or of public/private (3rd sector).

It seems that the development within collective action will take place by such hybrid forms of organization, backed to some degree by the public power, but insensitive to demands that collective action should take place in public sector forms. There are clear indications of such a change of the state from the modern, rationalized agent into something new in the post-modernity, with increasing differentiation. But the differentiation processes are taking place in the organizational forms - there is at the same time an increasing interdependence among some people within societies (leaving aside the question how to measure change), in social, material, temporal and spatial terms⁴

Social interdependence relates to the institutional and organizational setting and it can be understood as a growing need for coordination of social actors despite differentiation in their systems of language or code, meaning systems, self-identities etc. The postmodern fragmentation in such an understanding, then, is an organizational phenomenon, creating problems regarding solutions by collective action, but actors try to overcome such problems. Material interdependence can be understood as externalities and dependence related to resources to be used by social actors. The trick then becomes how to organize in such a way that the material interdependence does not become problematic; this could be done by actively addressing how to organize for using the public power. In the postmodern development this kind of interdependence may very well be neglected by actors not used to have concern for a proper resource base of collective action. Temporal interdependence relate to the different time horizons, cycles and rhythms in the

4 The following concepts owe much to a discussion with Bob Jessop.

creation, management and/or elimination of problems by different social actors. The more the organizational becomes fragmented, the more each actor will try to neglect such interdependence in favor of creating own autonomy (with great chances to err since the interdependence is there, other ideas notwithstanding). But this is precisely where actors realizing their need for collective action will set in. Finally spatial interdependence should be understood in terms of geographical and/or ecological spread of externalities. This is where particularly international regimes take up the challenge of coordinating collective action.

But the differentiation happens nonetheless, as we have seen, in the postmodern society, the details of which we do not have to reiterate here. I argue that in both cases of differentiation and interdependence, the question of access to the public power becomes important. First, the publicness in a discussion of Western states must at least mean constitutionality in the sense above, and researchers should take an interest in how social groups struggle for the support of or the control of powers that originate in the constitutional system. This struggle takes place much broader in organizational terms than conceived by the modern understanding of the public sector. But second, the public power concept as understood here takes us away from discussing formal authority only; we can go into an understanding of how powers are developed from formal ones to more comprehensive instruments of influence on a broad scale, in processes of organizing that go beyond the public sector or an interaction between public and private.

This is where the renewed interest in local collective action sets in - there is a demand for research tools to analyze the fragmented society and its actors involving themselves in attempts at collective action. For political scientists raised in a tradition of unified state analysis, this is a challenge.

Many segments of the society want a share of the public power. We cannot deny that there is a general concept of the "public good" etc. indicating a special and *general* responsibility for actions on behalf of a presumed entity. This concept at least is an important element of the daily practice of many officials, and it would be an all too academic exercise to neglect that practice entirely. In the next chapter, we shall discuss a conceptualization that goes beyond the state and goes across the distinctions of public and private organizational forms - the institution.

4 INSTITUTIONAL THEORY

In the postmodern society, the strong organizations built up under modern society - the bureaucracy, the interest organizations and the political center - are under pressure. Their legitimacy is not automatically recognized, many social actors try to circumvent them, their delegates feel anxious and not well informed about the attitudes of their members, their leadership realizes that members are withdrawing their support and/or stop being active within the organization. But this does not mean that active individuals stop being active in social issues; they develop new channels for exerting influence. Therefore, we need concepts to catch new forms of social interaction, favoring processes and relationships rather than formal organizations. Some versions of institutional theory attempt to provide us with such a framework for analysis.

This chapter contains theoretical and conceptual discussions to indicate how institutional analysis is to be understood to analyze collective action. We understand it as a political phenomenon, but the distance to sociology in general and the sociology of organizations in particular is not great, nor is it to institutional economics - depending, of course, on what specific schools within those broad disciplinary groups we want to examine. The aim, then, is to reap the benefits of knowledge no matter what discipline it originates from, and accordingly I do not intend to discuss on the basis of some intra-disciplinary understanding.

First, various definitions of "institution" are discussed **within** three perspectives: micro, macro and a mix of those, conceptualized **as** structuration. On the **basis** of that discussion, I define a political **institution and go through the** most important elements of that definition in some **detail** - in **chapter 5** this understanding of an institution will be discussed **in more** operational terms. Finally, I relate the institutional discussion to discourse analysis.

4.1. Approaching Institutions: History and Definitions

In chapter 2, we distinguished between individualistic and collectivistic approaches to the analysis of collective action. Within institutional analysis, the same dividing line exists, and it will structure the discussion that follows.

4.1.1. *The Historical Roots of Institutionalism*

Institutional analysis has solid roots within the social sciences: economics, sociology and political science. Each of those disciplines has distinct theorists working towards specific goals within the discipline, but nonetheless there are common traits.

Historically, the period around the end of the 19th century was important (Scott 1995, chap 1). Institutionally oriented *economists* like Thorstein Veblen and later on John R Commons went beyond the generally accepted approach based on individual preferences and choices and put emphasis on factors like habits and conventions derived, from the institutional setting, or interaction (transactions) taking place within rules of conduct, or institutions. This was a way of conceptualizing the broader social setting for economic transactions. *Sociologists* like Durkheim and Weber were leading figures within institutional theory; Durkheim initially on an individualistic basis, but later he turned to emphasize the institutional setting external to the individual and backed by sanctions. Weber never explicitly discussed the term institution, but his analysis of administrative systems certainly must be regarded as institutional analysis; he is careful, however, (in opposition to e.g. Marx) to maintain that the individual has choices to make within those structures. *Political scientists* like Woodrow Wilson and W W Willoughby did careful examinations of the legal framework and administrative settings of national governments, emphasizing their roles as formal systems and evaluating them based on moral philosophy. In particular, constitutions were important objects of analysis, no wonder since this was a period which saw massive changes from elite systems to mass democracies, established by processes of writing new constitutions.

Among the early institutionalists, then, the economists and the political scientists mainly resorted to collectivistic approaches, understanding the role of rule systems. The sociologists did similar analyses on the role of social systems (and thus also realized the importance of non-formalized rule systems), but had institutionalists in the more individualistic camp as well. Across the board, the topic was how individual behavior was embedded in institutional settings, inducing certain types of behavior and discouraging other forms. Both within economics and political science, the fate of the institutionalists was from the 1930-40s a benign neglect by the majority of theorists who were busy developing behavioral models of the economy and the polity. If institutions mattered in political science, it was in a formal or organizational way, and the theme was not really explored, but reduced to a residual variable. Within sociology, there was more pluralism, and Talcott Parsons is one example of a theorist with a firm grip of institutional theory, one of his main interests was to analyze the basis for social order(s).

Institutionalism returned to political science based on methodological individualism in the 1960s, but did not gain momentum until ten years later. It came to economics in the 1970s, but now based on individualism, and to political science collectivists from the mid-1980s.

Economist Oliver Williamson wrote his classic *Markets and Hierarchies* (Williamson 1975), based on transaction cost analysis, discussing under what circumstances firms might want to resort to market relations, and when they would prefer to internalize transactions to get better control over input factors to the production. He also set up a number of mixed forms of control for the managing segments of the production: externally by contracting out and franchising, internally by divisionalizing the firm. These alternatives were used as metaphors in many other disciplines, in political science much to encourage alternatives to the bureaucratic organization. Terry Moe (1984) took an early leading position in refining the ideas for use in the analysis of public organizations. The economic neo-institutionalists have a special interest in analyzing the regulative qualities of institutional rules (Scott 1995:35) and their behavior-shaping mechanisms of sanction - rewards as well as punishments. The main goal is to analyze the traditional economic concern for the economy: efficiency.

A few political scientists¹ had re-introduced institutionalism somewhat earlier: Buchanan and Tullock published their *Calculus of Consent* in 1962 (Buchanan & Tullock 1962), and Vincent Ostrom his *Intellectual Crisis in American Public Administration* some ten year later (Ostrom 1974 (1973)). They analyzed the consequences of various institutional settings for individual choice, they were firmly rooted in economic theory and methodological individualism, they shared the general interest in the regulative qualities and the ensuing efficiency of the institutional arrangements, and they formed the basis for the school of public choice which crosses the threshold between economics and political science. Beyond this there are great differences which we need not go into here (Mitchell 1988). Niskanen (1971) and later Dunleavy (1991) developed public choice towards an understanding of various institutional settings and particularly their influence on bureaucratic decision-making. Elinor Ostrom (1990) developed it towards an understanding of self-governing associations controlling the use of natural resources.

The collectivistic branch of political scientists took up a discussion of the neo-institutionalistic approach from the early 1980s (March & Olsen 1983), and March & Olsen's 1989-volume *Rediscovering Institutions* has

1 One may, of course, object to my labeling Buchanan as a political scientist, since he is educated as an economist and persistently uses economic theory for his political analysis. Yet I consider his and Tullock's work to be political science as much as many other analyses.

become a classic. Parallel to their work regarding interest in institutional factors (but from a different perspective) was the group that wrote the book *Bringing the State Back In* (Evans, Rueschemeyer & Skocpol 1985) which pleaded for a better understanding of the role of the state and particularly the bureaucratic staff in political analysis. These political scientists initially were up against the behavioral "revolution" of the post-WW2-generation. The state-back group's disagreements soon was more apparent than real (Almond, Nordlinger, Fabbrini 1988), while March/Olsen's intended fight with the methodological individualists has not seen reconciliation yet (Sjoblom 1993). The collectivists shared an interest in the normative qualities (Scott 1995:37) of the institutions they took up for analysis. Where the individualists stress the (material) interests in using an institutional arrangement for individual purposes, the collectivists emphasize the obligatory character of institutional norms, more and more understood as culture which is reinforced by the activities of the participants. March & Olsen (1989) use the term *the logic of appropriateness* to indicate that this is a normative concern.

In sociology, there also has been a group of methodological individualists working much in parallel with their companions in economics and political science, first of all James Coleman who emphasizes that researchers using rational choice as a basis for analysis in sociology differentiate themselves from other sociologists by stressing the importance of analyzing the optimizing behavior of actors at the individual level (Coleman & Fararo 1992:xi). Other sociologists analyze optimization at the system level, if at all. The collectivists, however, have had a much stronger general influence. Berger and Luckmann published their *Social Construction of Reality* in 1967, but the book was to some degree neglected during much of the Marxist analysis dominance in the 1970s and 1980s. However, it came back in the quotation lists and syllabi some years ago. They stressed the role of institutions and the human action reconstructing those institutions. Scott (1995:40) sees cognition as the main factor joining sociologists interested in neo-institutionalism, this means that they see as main driving force the individual's internal representation of the environment, creating a meaning for that individual to act in specific ways. Basically, there is not much difference from the normative group above, but where the normative school does have some difficulties in analyzing change in institutions, the cognitive approach stresses the role of interaction in the development of institutional arrangements; people seeing their environment as socially constructed, but also acting to change things as they see fit. In other words, there is some link between the collectivists and the individualists in this approach, making dynamic analysis of the institution more likely. Anthony Giddens had paral-

lel analyses, most strongly expressed in *The Constitution of Society* (Giddens 1984), to which we shall return.

The approaches, then, fall in three categories. The first, based on methodological individualism, follows that paradigm and has strategies under varying institutional constraints as its main focus. The second, based on collectivism, also conforms with those principles and has mainly dealt with the various facets of institutions creating social order. The third category falls in between these main types because its focus is neither on actor nor structure, but on processes between actor and structure, pointing to human agency but at the same time stressing the role of institutional limits and capabilities in the short run. Below we shall build the subsequent discussion on the third group.

We may conclude this initial presentation of the neo-institutionalists by underscoring that they are not solely confined to their mother discipline. First of all, methodological individualists have scientific cooperation across disciplinary boundaries, to some degree paying tribute to *homo economicus*² and the rational paradigm in general (see e.g. Barry & Harding 1982). But also collectivists collaborate outside their disciplines. Thus, Campbell, Hollingsworth and Lindberg (1991) edited their book with the explicit aim to confront different versions of analyses within political science, sociology and economics with one another in order better to understand the institutional mechanisms within different sectors of the American economy - whether they operated as markets, hierarchies, clans, associations or other kinds of networks (see also Streeck & Schmitter eds. 1985). In the Scandinavian countries, researchers have cooperated across political science and economics to analyze the "negotiated economy" as an alternative to mainstream neoclassical economics and mainstream political science democracy at the macro level (Pedersen & Nielsen 1988, Nielsen & Pedersen eds. 1989).

The discussion of institutions below aims at understanding political institutions, i.e. institutions involved in collective action. But as indicated, the borderline between the disciplines in this kind of analysis is thin, and I have no interest whatsoever in maintaining a particular disciplinary stance. Nonetheless, a disciplinary background is difficult to ignore and impossible to uproot completely.

4.1.2. Problems of definition

² Many of the common strands across the three disciplines are analyzed in a book with the timely title *Economic Imperialism. The Economic Approach Applied Outside the Field of Economics* (Radnitzky & Bemholz eds. 1987).

In Scandinavian political science, a book from the Norwegian Power Project has become a standard reference on such systems as generalized institutional arenas (Hemes ed. 1978). Examples are the market, democracy and bureaucracy, in the following paragraphs we summarize some of Hemes' control elements typical for each institutional arena - based on the incentives for individual behavior.

In the *market*, individuals act on the basis of preferences for different goods, given a certain price structure. The ideal market which the individual cannot by himself affect in any direction functions as a system of control for the economic actor; the most important information is prices which the rational economic actor, maximizing his welfare, uses for ordering his options for trading, given a certain preference structure and given a certain disposable income. The rationality context is welfare maximizing in the short run which is foreseeable and stable.

In the *democracy*, one can paraphrase the seller and buyer in the market. Buyers are individuals acting as voters based on preferences to problems to be solved by the political system. Sellers are politicians maximizing their main goal or reelection. As a voter one can exercise support by voting and by membership of political parties, control mechanisms thus are votes and membership. Politicians are informed of the opinions of the voters from votes and the support by members of the political party. General policy principles are determined by the party based on the standpoints of its members. The rationality context then is vote maximizing and active membership in order to voice opinions.

In the *bureaucracy*, individuals act on the basis of instructions, as conformity to superiors is an important parameter in maximizing a career. Crucial information is general rules for action, orders from superiors and feedback about the implementation of actions. In principle, all information is in writing and is recorded. Further basis for action is the expertise the bureaucrat has acquired and accumulated over the years in the organization. The rationality context is a known and perceptible system of career and a coherent system of solutions vis-a-vis the problems that the organization is supposed to handle. Decisions are predictable in so far as they can be related to prior decisions; bureaucracies are based on continuity. The accountability is based on the chain of command which secures the coordination of all actions.

Those three institutional arenas have in common the existence of a coherent, generalized system of control regulating behavioral patterns - the specific features differ, though. Comparable analytic patterns are found in other articles and books discussing institutions. In general, the behavioral concepts of the control system can be coined as rules for action: Kiser &

Ostrom (1982) have set up an elaborate system of rules on three levels of action, we shall return to those later. Here it is sufficient to note that such rules may be more or less difficult to change for the actor in the relative short run; some rules are to be regarded as basic and unalterable, others can be applied with flexibility as problems arise.

In the following one particular branch of political institutional analysis will be excluded: the version limiting the discussion to political organizations as institutions. Such a school would regard analysis of a parliament, a presidency, courts, local governments etc. an institutional analysis, as for instance in a national context Dye (1992:21-23), or in a comparative perspective Weaver & Rockman (eds. 1993). While I see no reason to exclude organizations from an institutional analysis, I do not want to equal institution with organization, thus excluding from the analysis all non-organizational factors. In this book, institutional analysis means analyzing interrelations between actors, irrespective of the organizational basis.

Some political scientists have broadened the organizational perspective a little to include systems of governance; Beyme (1987:56-58) finds that typical explanatory phenomena are coined as federalism, the autonomy of local government, decentralization of administration, differentiation of court systems - or debureaucratization, modernization etc. While this certainly is a much more promising way to go, the analysis mostly is limited to the formal aspects of the political system.

One example is analyzing "regionalism" which is a phrase used by many politicians discussing new channels of influence within an EU bound to the principle of subsidiarity. Is the Scandinavian region, then, comparable with a French or an Italian region? It certainly depends. In the Scandinavian countries, a region equals a county for e.g. physical planning purposes; in the South, regions are much larger and structurally different. Comparison based on such formal designations do not make much sense for political scientists. Formal entities with the same designations differ in size, powers, functions and political culture, and a comparison must be based on something else than "the regional level". Sharpe (ed) (1993) analyzes the various versions of a level of government between the center and the locality in Western Europe and Poland and shows a host of rationales for setting up different systems of "meso" government, a phrase that at least captures one essence of such a governmental level, but which is of little help beyond the identifying phase of a research project. Thus, analyzing an Italian region and a Scandinavian county as equivalents is at best a hazardous task.

In much of the political science literature of the 1980s, institutions were not conceptually defined; the precise content of the concept was understood by the author and then supposed to be shared by his readers. One such

example is Wildawsky (1987). In his discussion of how preferences of individuals are formed through opposing and supporting institutions, culture is seen as the most important background for preferences. Wildawsky (1987:6) lists a few major types: apathy (fatalism); hierarchy (collectivism); competition (individualism) and equality (egalitarianism). The view of human life as suffused in social relations makes the study of *institutions* central to political science (Wildawsky 1987:17, my underlining), and an attempt at what one might call "grand theory categorizing" results in four types of culture that should explain central facets of political behavior. But what institutions are remained to be determined by Wildawsky's empirical examples and the reader's ability to abstract the important facets and then deduct other possible empirical institutions by the use of reasoning

March & Olsen's famous 1984-article (1984:734,738) did not leave the reader to guess, but it was ambiguous by mentioning a number of examples of institutions: A legislature, a legal system and the state. In my interpretation, those examples include an organization, a system concept and the concept of the state, three quite different forms and hence difficult to reconcile without changing the level of abstraction.

How and why institutions were to be understood, then, basically was up to the reader - in the first case literally so, in the second as a choice among several options. Since the late 1980s, the situation has changed somewhat due to a general rise in the scholarly interest in institutional theory, a development that started in the early-to-mid 1980s, but did not gain momentum until the 1990s - and then became a full gale... We shall go through some of the literature to put the choices we are going to make later into perspective.

4.13. *General definitions.*

If we disregard the traditional political science definition of institutions as organizations within a (democratic) system of government, the sociologists have had most to say about institutions, their definition and significance in structuring daily human life.

In the mid-1980s, the German political scientists set out to map the field of institutional analysis within political science. One result was the article by Gohler & Schmalz-Bruns (1988) presenting us with a literature review based on German and international books and articles. Somewhat discontent with the result, they approached a definition by relating the discussion to sociological understanding of norms and (German) Ordnung-

3. In their subsequent book, March & Olsen (1989) become clearer as to a definition of institution, see below section 4.2.2.

stheorie, theory of order. Hence their general definition of institution based on Braibanti (1976:7):

Institutions are patterns of recurrent acts structured in a manner conditioning the behavior within the institutions, shaping a particular value or set of values and projecting value(s) in the social system in terms of attitudes or acts (Gohler & Schmalz-Bruns 1988:316).

This definition is a classical example of sociological determination through structured environment. DiMaggio & Powell (1983:148) also follow that tradition, discussing institutionalization within a specific (organizational) field as a process comprising several elements: an increase in the interaction among organizations in the field, where structures of domination and coalition have emerged, and where there is an increase in the information load with which the organizations must contend. Furthermore, there is a development of a mutual awareness among the participants that they are involved in a common enterprise. In other words, the institution is a network of organizations with special links and some common bonds, if not norms. These organizations tend to become similar in a number of aspects; this process is called isomorphism, a pressure towards becoming alike.

Thelen & Steinmo (1992:2) use Peter Hall's definition of institution as

The formal rules, compliance procedures, and standard operating practices that structure the relationship between individuals in various units of the polity and economy

Here the individual enters with a clear role, where above it was (maybe) understood (Gohler/Schmalz-Bruns) or suppressed (DiMaggio & Powell). But these examples should suffice to conclude that the general features of institutions, are a *structure* based on interaction, common understanding or *values* and a certain pressure to *conform*. Actors are individuals or organizations - as we shall see below, there is quite a difference whether one stresses one or another of those features. As general phenomena, institutions then seem to be important entities governing facets of our lives.

4.2. Contemporary Institutional Research

We shall go on by reviewing three groups of research. The *first* one is micro-oriented, often linked to specific organizations like parliaments, tenants' organizations etc.; concrete institutions where behavior and norms are integrated into an action pattern anchored in an organization. A development of this approach, however, reduces the need to analyze formal organizations and resorts to general interaction networks. The *second*

general approach is more macro-oriented based on systems like democracy, market and bureaucracy; abstract institutions forming control principles in general, this is where e.g. the notions of embeddedness come in (Granovetter 1992). The *third* group seeks to reconcile the two first ones.

4.2.1. *Micro behavior within structural settings*

The bulk of theory in this group may be characterized as versions of rational choice, in some versions called social choice, in some public choice, based on the activities of some version of *man* (economic man, political man, depending on the aspects of the world the analyst is interested in) working towards an optimization of his or her gains or benefits, given a certain structure of individual preferences, and *given some institutional constraints*. We have, therefore, to discuss attributes of the actor representing the micro-level behavior, and attributes of the institutional arrangements.

What about the actor, then? Hemes (1978) did not go in depth with the attributes of the actor - Kiser & Ostrom (1982) did more, as analysts working with methodological individualism mostly do. One example is rational choice whose explanations of behavior are based on methodological individualism with actors attempting to maximize their utility by their actions. Elster (1986:16) has three requirements for a rational-choice explanation of an action. The *optimality* condition requires the action to be the best for the actor to satisfy his desire, given his belief is the belief is the best he could form, given the evidence; and the amount of evidence collected is optimal, given his desire. Furthermore, the *consistency* condition requires belief and desire must be free of internal contradictions. Finally, the *causal* condition requires the action to be caused only by desire and belief; similar requirements apply to the relation between belief and evidence. These demands for a rational actor to qualify for recognition as a truly rational actor are rather rigorous.

Typically, the rational model is employed by analysts by identifying a number of given preferences (goals), finding a number of alternatives for action leading to different satisfaction of the preferences, and a expecting a choice of action maximizing the fulfillment of those preferences, realizing what opportunities are foregone by that specific course of action. This realization is important in that another action may be chosen, not because the gains by the chosen action change, but because the losses of not choosing other actions are given higher priority (Harsanyi 1986:86)

Elster and Harsanyi discuss the actor as such and choices based only on his preferences. The rational actor, however, will soon have to confront the world around him, and this means that there is no freedom to choose, but rather a number of constraining factors to review before action may be

taken. In so far as these constraints are not of a physical character, we may systematize them under the heading of institutional arrangements. Furthermore, there is the question of what resources the actor may control in situations of exchange - which will be a characteristic of most situations as soon as we have left the idea of man working for himself only on a deserted island.

Within the micro-institutionalism there are several ways of defining the institution, among others equilibrium, norms and rules (Crawford & Ostrom 1995). Taking departure from Pareto-optimality, the basic idea of the first approach is to understand how rational individuals obtain *equilibrium* in interaction with other individuals, they keep changing behavior as a reaction to the actions of the other actors until the point has been reached where they expect no better outcome from own actions. The parallel to neo-classical micro-economic theory should be obvious. Routinized patterns of action - an institution - thus is to be understood on the basis of the motivation of actors to create a particular equilibrium. One well-known representative for this group is Andrew Schotter (1981). The second approach takes departure from *norms* regulating what individuals have as common perception of correct behavior under given circumstances, and thus form the foundation for an institution; a well-known representative is James Coleman (1987). The third approach is based on *rules* where the cohesion of the institution is to be found in a common understanding that actions not complying with the rules prescribed will be sanctioned or nullified, if other actors endowed with the powers to do so get informed about it. Here Ostrom (1990) is a typical representative.

The third school seems to be the most common one. In particular, these analysts understand institutions as sets of rules constraining the options of the individual actor. We find the simplest examples in game theory where a simple set of rules define the payoffs of different choices by the actor who is then supposed to act accordingly, maximizing the gains or minimizing his losses by choices of action. But few institutional settings are confined to payoffs, most have a more complex structure, stating e.g. whether a particular action is permitted, required or prohibited. It is, as a matter of fact, more typical of institutions discussed by rational actor analysts that they constrain the actor rather than they condone or reward him. The individual is perceived as fallible, prone to shaking, wanting to defect from promises by cheating, etc., and hence the actors need constant reminders of what proper conduct is supposed to be like within the institutional setting. If they do not adjust their behavior accordingly, they will be disciplined.

Within this understanding, then, an institution may be defined as a set of rules valid for (well)defined aspects of human life, structuring informa-

tion and delineating scope and time for action (Kiser & Ostrom 1982:179). The rules may be formal and informal, and they may be extended to moral sides of life.

Rational choice theorists have a special interest in how and why institutions are created. In other words, they see institutions as instruments for achieving purposes of utilitarian actors. Consequently, they have an interest in analyzing the efficiency of alternative institutional arrangements in order to point to the best institution to obtain certain goals. It follows that the analytic aspiration of the analysts is to predict the behavior of the actors, and therefore the assumptions of the propensities of the actors to act must be quite strict - usually maximization of preferences which must therefore be presumed given and definite during the analysis. It is no wonder, then, that rational choice theorists mostly analyze the setting up of institutional arrangements - what may prompt individuals to do so, what costs and benefits are associated with it, and how do various actors fare under new institutional conditions? Since many economists are involved in such institutional analysis, there often is a market allegory behind the approach - many players, full information, no reputation linked to players, and each game situation treated as if one started from scratch - no personality-linked memory. Likewise, the preference structure of participants are set once and for all, there is no discussion of e.g. whether previous experience may have had an influence on the goals for action.

There is considerable less interest in analyzing older arrangements, unless the research interest is how alternative institutional settings fare.

4.2.2. Institutions as Systems of Control.

The second broad category of implicit and explicit definitions of institutions relates to systems of control, discussed not so much as they affect individual conduct, but rather in a macro perspective where outcomes are assessed more broadly. Therefore, many organizational sociologists have had an interest in this type of institutionalism, particularly those analyzing organizational behavior in a network perspective.

Gohler (1987:17-19) defines institution in general as internalized, persistent behavioral patterns and orientations of thought with a regulating social function. *Political* institutions, then, are rules of formulating and implementing decisions of a general binding character; often, but not necessarily connected to organizations; in functional terms (i.e. related to consequences for the society) unrelated to individuals but nonetheless determined by the behavior of identifiable individuals. Gohler then identifies as a narrow conception the state and the government and more broadly social organizations and rules of social behavior as institutional elements.

The general idea of institutional analysis is, first - at a high level of abstraction - to have a broad institutional theory to develop concepts of explanation and normative justification existing for all institutions and, second - at a more concrete level - to have a theory of political institutions to develop its own particular concepts. We thus have several levels of analysis. When a political science analyst encounters a phenomenon that is addressed in other disciplines, he must sooner or later refer to the general institutional theory (Gohler 1987:37).

One of the most discussed works on political institutionalism is March and Olsen's *Rediscovering institutions*. They define political institutions as

collections of interrelated rules and routines that define appropriate action in terms of a relation between a role and a situation. The process involves determining what the situation is, what role is being fulfilled, and what the obligations of that role in that situation are. (March & Olsen 1989:160)

To make a long story short, the absolutely most interesting about the book is the authors' persistent support to an understanding of the *logic of appropriateness* as a normative demand on the actor, and their disapproval of the *logic of consequentiality*, the strategic actor of the rational choice breed. A few comments on their notion of appropriateness are then in place.

To March & Olsen, institutions define what is appropriate, i.e. institutions define much of the frame of reference for actors in almost any situation that may occur. A process goes on, determining what the situation is, defining what role is to be fulfilled, and what the obligations of that role in that situation are like. March & Olsen contrast the logic of appropriateness with the logic of consequentiality. The former is based on the fulfilling of the obligations linked to a role; action comes from the feeling of necessity, not individual preferences. The latter is the one we use when we apply means to goals, expecting certain outcomes from such an action - and thus fulfilling the preferences that lie behind the goals. The former is the knowledgeable citizen who has been socialized, the latter is the rational calculating individual, as discussed in the previous section above.

March & Olsen thus are close to Selznick's definition of an institution. Organizational structure is adaptive to environmental forces, and institutionalization refers to this process: to institutionalize is to infuse with values beyond the technical requirements of the task at hand (Selznick 1957:17). But they also come to claim that one must understand institutions as political actors:

The argument that institutions can be treated as political actors is a claim of institutional coherence and autonomy. ... the coherence of institutions varies but is sometimes substantial enough to justify viewing a collectivity as acting

coherently. ... political institutions are more than simple mirrors of social forces. (March & Olsen 1989:17-18)

This is a decisive step away from the micro approach which would not allow for a perspective letting the individual actor out of sight - the micro approach would let individual actors represent the collective instead of making the collective a black box.

Of course, the difference is a matter of degree - the claim by March and Olsen is that individual personality, calculus of political costs and benefits, and expectations of the future are less important. Historical traditions and their interpretations, calculus of identity, and learning as recorded in history-dependent routines and norms are more important (March & Olsen 1989:38). They do not say that the micro approach is unusable in any situation, but it remains unclear when they think it is.

One may also use the logic at the state level. One such example is Ashford (1986) who treats institutions as a crucial analytic element in the development of the welfare state; he analyzes the development by investigating the policy processes of five nations. By using the institutional definition of the state, Ashford wants to be in a position to detail with some precision what resources, methods and capabilities are attached to the exercise of authority in each political system. The operational aspects of the definition are found in the basic practices attached to the work of political executives, the organization and powers of the bureaucracy and the accepted methods for formulating, implementing and evaluating policies. Institutions are the intervening variable between some ideal solution and the capabilities of government itself (Ashford 1986:6). An important part of the analysis is defining what are the dominant values which often work as limitations on the use of institutionalized or collective authority. This is not to say that such values are permanent independent variables that cannot be changed: the policy process is an interactive one, and the researcher must search for regularities in the institutional constraints and, in turn, how policies gradually change institutional constraints. Early decisions are precedents for solving later problems. In that logic, governmental capabilities, administrative organization and vested political interests were taking shape long before anyone imagined a welfare state, and it should be understood on that basis (Ashford 1986:17-20).

In this understanding there is not room for much new under the sun in the short run. Institutions guarantee that change is slow and controllable. Yet abrupt changes do happen - as in Eastern Europe late in the year when *Rediscovering Institutions* was published. Olsen's view of rapid change is that

radical and swift transformations are likely to be a result of comprehensive external shocks and performance crises. ... The more inefficient (or obstructed) ordinary processes of adaptation are, the more likely that an institution or regime may collapse ... (Olsen 1992:16)

Otherwise, change happens because of step-by-step modifications of existing institutional interpretations. But how such alterations come about is beyond the explanatory power of the approach.

A Scandinavian example of organizational institutionalism is the theory of the negotiated economy (see e.g. Nielsen & Pedersen eds. 1989) which can be seen as a development of the systems of control set up by Hemes (1978), discussed above. But where Hemes analyzed the problems of the individual actor (continued in Hernes 1983), Berrefjord, Nielsen & Pedersen (1989), however, emphasize the role of collective actors. They analyze the institutional arrangements set up by powerful organizational actors:

... decisions are made after institutionalized negotiations between involved interested actors, binding one another not through public or private legally binding concessions or contracts, but through discursive or political imperatives (Berrefjord, Nielsen & Pedersen 1989:20)

These imperatives are made, based on the interaction between autonomous actors, they cannot be enforced by legal means, and they are made by institutionalized negotiations where formation of meaning and influencing of preferences is decisive. Such a process must be understood as a historical phenomenon, and it must be analyzed with the actor squarely in focus.

The way this analysis is performed, actor is understood as organizations or collectives, not as individuals. It is typical that the processes under analysis are described in the passive, processes "happening" rather than actors "doing" (see e.g. Pedersen, Andersen, Kjaer & Elberg 1992 and Andersen 1995). The aim of the analysis is to understand the resulting institutional web, rather than the actual contents of policies or the "winners and losers" of the political process taking place. In this sense, the analysis is oriented towards a description following Hemes' ideal types, not of the market, democracy or bureaucracy, but a description of the negotiated economy as an alternative to the received view of how decisions are made. Therefore, the precise mechanisms called for by Berrefjord et al. above - e.g. how preferences of the actors are changed along the processes - are not really unveiled in any rigorous way, they are indicated to exist and assumed to work as hypothesized. And consequently, there is no real theory of the actor - there is a theory of how actors may perform in a process of discourse, based on Habermas' communicative rationality, demanding actors to be

worthy of credibility, to speak the truth and to speak in accordance with shared basic values (Berrefjord, Nielsen & Pedersen 1989:36).

4.2.3. *Compromises Between Micro and Macro*

In accordance with Berger & Luckmann (1967), the basic understanding in this group of institutionalists is that the institutional environment defines and delimits social reality, but it is also reinforced or changed by human agency. What, then, is the nature and origin of social order? The main argument is that social order is based essentially on a shared social reality which is a human construction created in social interaction; i.e. a *process* view. A variant sharing the basic ideas puts less emphasis on the *process* of institutionalization - organizations conform because they are rewarded for doing so through higher legitimacy, resources and survival capabilities; and the analytic interest focuses on the *types* of processes that cause an organization to change its structure in ways that make it conform to an institutional pattern (DiMaggio & Powell 1983) e.g. coercive, memetic and normative processes.

A parallel to this kind of institutionalism is pursued by those using the approach of "embeddedness", based on

the argument that the behavior and institutions to be analyzed are so constrained by ongoing social relations that to construe them as independent is a grievous misunderstanding. (Granovetter 1992:53)

Actually, Granovetter uses the concept of embeddedness as a less extreme way than the quote might indicate and reserves it as a middle road between structuralism and individualism. He does it as a challenge to Oliver Williamson's (1975) notions of economic efficiency in dealing with transactions. Instead, Granovetter targets the role of interpersonal relations within economic transactions, avoiding the idea of anonymous invisible hands of the market and eschewing the apparent clear and unpersonal responsibility pattern of the organizational hierarchy. He favors the analysis of special power relations and long-term personal relations in the "market" and personal and shared understandings within the firm - these are ways of operationalizing the analytic principle of embeddedness.

The most comprehensive discussion of structure and agency probably is found in the literature by and on Giddens whose *duality of structure* is intended to overcome the analytic problem when the structural properties of social systems are both medium and outcome of the practices they organize, when the properties do not exist outside of action but are chronically implicated in its production and reproduction (Giddens 1984:374). Structuration is conceived by Giddens as:

The structuring of social relations across time and space, in virtue of the duality of structure (1984:376)

Giddens, however, is not terribly helpful in making his concept operational. His interest lies less in doing empirical research and more in developing a sociological approach, somewhat in the direction of a *grand theory*. But let me try and interpret the notion of structuration in the light of the research interest behind this book.

First, there lies behind it an understanding of action as a basic tenet of the approach. Things do not just happen, and they are not inevitable, at least not in the particular form they take place. This is a conscious choice by the actor, who "maintain a continuing 'theoretical understanding' of the grounds of their activity" (Giddens 1984:5). So things could have been otherwise at some level of analysis, even though an understanding like an *macro* economic balance based on Pareto optimality would not grasp the difference. On the other hand, nor does the analysis dig into the *micro* individual motivations for action in so far as this requires an understanding of some unconscious motifs, it stays with the conscious action. But the actions of people mean a difference, and in that understanding, the actors exercise power based on different types of resources.

Second, Giddens understands structuration as a continuing process of constituting and reconstituting conditions for action; this *duality of structure* is

Structure as the medium and outcome of the conduct it recursively organizes; the structural properties of social systems do not exist outside of action but are chronically- implicated in its production and reproduction (Giddens 1984:374)

Structure is not a fixed constellation of relations between actors, but "rules and resources, recursively implicated in the reproduction of social systems" (Giddens 1984:377), something comprehended by the actors and used as constraints as well as resources in action. So structuration is a continuing process of actions by conscious actors whereby they may reinforce certain types of conduct or change them, depending on their interpretation of the situation in which action takes place.

The most important feature of this approach is its lack of determination which we find bound in the structure of most structural analysts. Giddens maintains the possibility of choice, of doing otherwise, where it is difficult to see such forms of "individuality" in a structural theory. This is done without being caught in the net of the opposite camp worshipping individuality as voluntarism where one can do what one desires to do. Few, of course believe in such freedom, but even the reconditioned model of

individualism, subject to (structural) constraints, has serious limitations in it, and first of all it lacks the possibility of understanding how those constraints may be changed. This is what Giddens offers possibilities for by the concept of structuration.

This understanding, however, is very abstract and needs further development for empirical research. In the following section we discuss consequences of interaction and further on the process perspective to get deeper into how structuration comes about.

4.3. Consequences of Interaction - the Process Perspective

Analyzing relations between actors means to some degree analyzing processes of interaction. There is no problem in analyzing interaction with a clear purpose, this is mostly understood in terms of power and/or exchange-of-goods relations. But relations based less on maximizing or satisficing goals are more difficult to understand at the theoretical levels. A number of theorists argue that interaction creates some mutual obligations and hence leads to some degree of cohesion among the actors.

There are several lines of argument (Hirschman 1982). The first one, and the most common, simply says that the exchange of goods will create good relations between people - if nothing else because they become dependent on one another. This line of argument is found in the 1800-century literature and in any textbook on economics. It is also argued that in and by itself,

commerce drives forward the best sentiments of man who learns to deliberate, to be honest, to acquire manners, to be prudent and reserved both in talk and action (Samuel Richard, quoted by Hirschman 1982:1465).

Commerce, exchanging valuables, then, in this particular understanding, is an instrument not only for fulfilling wants, but also for a higher moral. We might with a certain risk for oversimplification extend the argument to saying that this is the effect of continued interaction with mutual non-hostile interests involved.

A second line of argument is found in Durkheim and contemporaries,

...We cooperate not because we wanted to but our voluntary cooperation creates duties which we did not intend to assume...;

...that our functional roles in the division of labor results in our finding ourselves caught in a network of obligations which we do not have the right to forsake...; or

...that the division of labor creates among men a comprehensive system of rights and duties which tie them to one another in a durable fashion (Durkheim, quoted by Hirschman 1982:1471)

Here is no indication of interests playing a role. The resulting solidarity is a moral element of social interaction. Interaction improves the likelihood that we cooperate and create bonds that oblige us beyond the face-to-face relations which will always make deceit more difficult to carry through than it would be among strangers. Precisely how this solidarity is sustained - for instance whether interaction is necessary - is not made clear by Durkheim, one reason why it is difficult to model his theory on the basis of methodological individualism. The collectivists will be more willing to buy this line of reasoning.

The methodological individualist will reason in terms of how the actor is affected, as the Richard quotation above. Another case in point is (Hirschman 1970) who discusses "loyalty" as an acting restraint for a generalized actor - it could concern the addicted customer of the local grocery store and the burned-out member of a socialist party alike. The loyalty is based on a general understanding of a penalty for exiting from the organization: the individual feels that leaving a certain group carries a price with it which he is not willing to pay, even though no direct sanction is imposed by the group. Another possibility is that the potential exiter (often an influential one) anticipates that an exit would leave the organization worse off than if he stayed (Hirschman 1970:98). What we see here is a force at work that does not at first sight square with the maximizer of own preferences: the potential exiter feels that he would continue to care about the decisions and sequent actions of the organization. Hirschman refers this kind of action to a desire to avoid the consequences of hypothetical behavior (exit); this can be perceived as a benefit to the actor and hence an important incentive and part of preferences for loyalty.

It seems, then, that we cannot restrict the discussion to direct interaction between actors. We also have to identify possible norms that affect and restrict the behavior of actors, or more generally put, the institutional set of arrangements that actors may perceive as constraints on and/or capabilities for action. This, however, cannot be done in a static way, we need an analysis based on the understanding of processes. Understanding structuration as a process means that communication links are established between actors, enabling them to exchange⁴ information about various facets of a problematic; often, but not necessarily always, to remove apparent obstacles to reaching a solution that is acceptable to both (or more) parties.

Basically, the steps taken by actors should be understood as a progress of establishing a capacity to act, a capability vis-a-vis other actors (Lund-

4 Strictly speaking, there is no need in each particular instance to exchange information. One party may act based on the perceptions of what the opinions of the other party on a specific problematic would be. Those perceptions, however must be based on previous information dissemination of some kind.

quist 1987). We need not go into a discussion of what psychological mechanisms make individuals act; the body-subject must have some skills in perceiving himself and the environment and *understand* the situation that has arisen, he must have an ability to *make decisions* and some *preferences* as basis for setting priorities between alternative ways of acting⁵. No actor can perform these skills to perfection in all situations, there are differences due to knowledge and intellect, and there may be different levels of trust and ideologic accord. Furthermore, action may be dependent on material resources at the disposal of the actor: money, equipment, materials etc. The individual actor may be put in a better position by education, both in general skills and in particular crafts related to specific tasks.

In relations between individuals, then, progress related to action is made by mutual communication, whose significance depends on each actors' way of handling it to build up some capability for action. If the actor behaves like the rational model, he will maximize his preferences, so if they are known, the analyst can predict the decisions to be made. Since the demands for a rational action situation are very strict and therefore better suited for laboratory analysis and strict theoretical development (Ostrom, Gardener & Walker 1994:321) rather than empirical analysis of complex and uncertain series of interaction among shifting numbers of individuals, we will disregard the model, actors are instead assumed to be bounded rational. We then understand the process of acting as based on a series of communications between actors, each trying to effect the other's understanding of and scope for action, and modifying the institutional setting for the action along the road, based on heuristics and learning from the past.

Lundquist (1987:85-88) has extended the understanding of action processes between individuals to relations between collectives. The core concept is that of *organizing*, a process whereby *preferences* (goals, aims, ideas etc.) are changed into *priorities*, i.e. directions for action, and *resources* (money, employees, equipment etc.) are changed into *capabilities*, i.e. instruments for action. Organizing is a decision-making process, and just as individuals have different personal and material preconditions for successful action, successful processes of organizing depend on the ways individuals (with different skills) and material resources are combined. This is not a passive process of reaction to management directives, individuals may apply a number of strategies in interaction to create what they perceive as the best fit.

Actions are made by individuals - even computerized tax returns are based on human programming of the machine. So narrowly understood,

5 These three properties Lundquist (1987:43) names *understand*, *can* and *will*. They are odd linguistic constructs, they are verbs but are treated as nouns.

organizations cannot act. But individuals do act on behalf of organizations, and in doing so they take upon them tasks they might not have done else. Furthermore, individuals do the setting of priorities and they are the mediators in creating capabilities. Individuals also are the bearers of the socialization taking place within the organization, often conceptualized as the organizational culture. The process of organizing individuals may be understood on the basis of four variables, modified from Leavitt: roles, procedures, structuring and culture (Lundquist 1987:98-102). The *role* indicate the individual's scope of action, *procedures* regulate and coordinate the interaction between roles, *structuring* indicate the powers between roles, and *culture* is the (informal) norms binding the collective together.

These four variables, of course, constitute the basis for thinking about organizations; the important thing to understand from the perspective of this book is that the variables are not to be understood as structural fixations, but elements in an ongoing process where the stake is a *series of choices concerning points of view on actions to be taken on a problematic*, where the actions are to be made by a collective. The organizing variables constitute the channels for converting preferences into priorities, and resources into capabilities. Below we shall discuss nested institutional levels where three layers of action scope are identified: the constitutional, the collective and the action levels, indicating differences in time horizons and in specificity of the instruments employed for action. Those principles also apply in a general sense in organizational action, but they are of course not limited to organizations, on the contrary they indicate how to understand e.g. inter-organizational relations.

We can now proceed to setting up the definition of political institutions that will be used in the rest of this book.

4.4. A general approach to political institutions.

Our interest in this book concerns collective action, and hence in some sense a political activity where goods and values, including the right to future action, are distributed among the participants. The action is an authoritative allocation of goods and values, authoritative in the sense that it is seen as binding for the participants in the collective action, but not authoritative in the sense of being forced on the participants. We would expect some degree of deliberation taking place as an important element of the collective action, minimizing the degree of disagreement among the participants, and advancing general acceptance.

Among the three "schools" to institutional analysis discussed above, the third one seems most promising for doing non-formal, bottom-up institutional research in local c

having the potential for empirical analysis of strategies pursued by individuals within institutional constraints, but also while using institutional features as resources.

In institutional analysis, the recurrent concepts discussed in the literature above were such as a) interaction, b) value, norm, culture, symbol, c) rule, order, structure, capabilities and d) shared perception, cognition, meaning. On that basis, I will define a political institution as follows:

A political institution is an authoritative interaction network linked to a policy problem. Among the participants in the network one can identify a set of general norms for behavior and a set of positions with specified rules for behavior. The institution is intended to create order in relation to the policy problem and to give the participants a collective understanding of meaning.

This definition gives us a number of keys to the analysis: we can identify some actors, we can identify a number of rules of the game, and we can postulate some general goals for the participants. The main points in relation to the other implicit and explicit definitions above are the following.

First, we are talking of interaction networks. We are not in disagreement with large parts of the organizational theory defining organization on the basis of the interaction patterns between individuals: those with a relative high interaction frequency form an organization (see e.g. Agersnap 1976). But by excluding the concept of organization from the definition we put an end to any trace of doubt: formal organizations and institutions are not congruent in this version of the definition.

Second, we speak of links to a policy problem, not a dominance by a policy problem (for definition, see below). The policy problem may be material, but that does not prevent symbolic aspects from having an importance for the institution. In other words, we do not want to imply a strict functional institutional setup.

Third, an attempt to integrate micro and macro perspectives is made by the use of norms and rules guiding the behavior as in the macro control systems above; here, however, a narrowing of the perspective has come about by using the facet of the policy-problem which then determines the boundary of the phenomena under scrutiny. Thus the comprehensiveness or generality of the control systems is replaced by one or a few narrower aspects, but still without tying the micro perspective to an organization.

Fourth, order is a crucial concept This implies a certain conservatism and consequently there is no basic expectation for institutions to function as icebreakers taking us to new and exiting oceans to be explored. They rather secure predictability and continuity within given boundaries. Under certain circumstances, however, they may be important vehicles in innovations, but

precisely how this takes place we can only know if we can specify the situational variables.

The political side of the institution means that individuals accepting the institutions accept the decisions that are made, or prevented from being made, within the institutional framework. Those individuals may oppose a particular decision, they may work to have it come out differently, and they may try to have it changed once it is adopted, but nonetheless they will respect a particular content as long as it has the institutional link in order.

The definition could be regarded as a set of hypotheses. If one can identify the elements, and if they work as described, one could call them an institution. The problem then is to identify a policy-problem, positions, norms and rules, order and meaning. We shall detail those elements below.

4.4.1. *Policy problems.*

Institutionalized social relationships should be understood in relation to an activity or a problem (Bums & Flam 1987:36-42, 105); they can hardly be understood without a knowledge of the situational conditions. Hence the need for a discussion of a policy problem.

A policy problem can be defined as a problem that in the view of some actors requires action to be taken by several actors or requires action by an actor on behalf of several other actors. The actors must agree, openly or tacitly, on some basic parameters for that action; those parameters form the core of the policy.

A *public* policy problem is here seen as a set of problems to be addressed authoritatively by one or more organizations, mostly public, but maybe private, e.g. licensed to perform as an authority under certain conditions. The point is that at a certain time, a decision to invoke public action has been made by a political body, and such a decision then forms the backbone of the policy⁶ - though the ensuing development and implementation process may take us other places than the fathers of the policy had thought, as the implementation literature (e.g. Hanf & Toonen eds. 1985) has clearly shown us.

Basically we want to apply a bottom-up perspective on policy formation and implementation. The exact consequences will be discussed in chapter 5, here suffice it to say that it is not satisfying exclusively to use the perceptions of *public* policy-makers on policy problems. For instance, the policies of public organizations may affect a policy problem without the appreciation of those responsible and hence without their taking what has

6. Consequently, we do not discuss the problems of non-decisions and other interesting aspects of political action and prevention of action. For now we are interested only in policies that are possible to trace by using decision analysis.

happened into account. Furthermore, organizations with a *public* policy responsibility may act without taking the consequences of the policies of other organizations into consideration. This has typically been the case in regional policies where the regional dimension is simply disregarded by public organizations specializing along public functions like health, schools etc., and which may consequently close remote offices while another public organization is trying to help setting up public jobs in that very area.

In a bottom-up perspective, then, we are interested in which *public* policies affect given policy problems, but we also have a keen interest in what *other* factors may affect the development of the problem. Two things seem critical in order to keep this perspective: language and technology.

First, it is crucial that actors share a common understanding for what the policy problem is about or, at least that the actors have a common language or frame of reference for discussing how to interpret the problems. The example of regional policy indicated above is a typical example of lack of a common frame of reference: the public sector body acts on the basis of efficiency related only to its budget and an explicit or implicit understanding of economy of scale and transaction costs between the center and the organizations placed in the remote regions. The regional policy unit does not accept such reasoning because its merit is to help reducing adverse consequences e.g. of decisions referring to the economy of scale and therefore maybe even tries to do away with such thinking within the state - often with little success: A common complaint among comprehensive (e.g. regional) planners is that specialized bodies are very strong in political and administrative inter-organizational processes (Bogason 1986).

Second, different technologies exist for solving problems. One example may be the solution of traffic congestion on the roads around a city in the rush hours. The Department of Roads would probably suggest that the existing roads be expanded or that alternate routes be established so that the cars are distributed more evenly on the inward bound roads. The Department of Public Transportation, on the other hand, would probably suggest that more buses be set in with a higher frequency and covering the areas of the suburbs better, maybe also at special fares so that car commuters would see an incentive for using public transport and hence reduce the pressure of the roads. These two paradigms are not quite incompatible, but it would probably make most sense to mainly follow only one or the city would run a risk of over-investing.

The problem of the researcher is to conceptualize and theorize so that the policy problem is described and analyzed independently of the organization-bound and interest-based views we saw above. Of course, such views are of great interest for the political scientist as indicators of how the

world is actually interpreted by organizational actors. Such views are important in analyses of conflicts. But the researcher should also be in a position to analyze policy problems without being tied by such perceptions. The researcher cannot find a more real reality, but by explicating the basis for his analysis it is at least open for discussion; this is not the case with organizational views.

At the same time, however, the researcher must understand how such organizational and interest-bound conceptions may come about and dominate the discourse on the policy problem. The researcher does not have to accept those views, but if he does not understand their character, he will not be able to analyze the processes that base themselves on such an understanding.

4.4.2. *Norms and Rules.*

The starting point for this discussion is values (Morel 1986:23-40) which are here conceptualized as binding conceptions of a rank order, importance or desirability of individuals and/or things based on a certain perspective, eg. beauty, ethics, applicability. Social values are patterns of thought referring to principles for what is right or seems sensible. Norms are derived from values and can be justified on the basis of values; norms can be defined as binding conceptions of how each member should behave. Values tell us something about importance, norms about directions for action.

However, norms are seldom fully operational, actors must perform a judgment in order to adapt to the circumstances. Norms therefore can be difficult to identify in an operational meaning, and this is one task for the researcher in an institutional analysis. This may be done by rephrasing vague norms into clearer rules for action while at the same time adding formal rules for action within the policy field.

One illustration can be found in the discussions on solidarity and reciprocity. Reciprocity means that the giver expects to receive something in return sooner or later. Solidarity has elements of altruism, loyalty and reciprocity (Hegner 1986:411-413) and hence does not necessarily imply any return in a foreseeable future. In the first perspective, one service merits a service in return - and if nothing is returned, the relationship will fairly quickly come to an end. Even love has its limits. In the second perspective, we are talking about a type of cohesion not tied to clearly identifiable services, and no balance between those involved is expected in the short run; rather the solidarity is a sort of general safety net under every one involved. Of course, it is quite crucial for the actors whether their relations are based on reciprocity or solidarity, and a specification of vague norms are necessary in order to assess actual behavior.

Rules can, however, be of several types. From our point of view, it is important to be in a position to analyze whether the rules are open for interpretation and whether they are possible to change. We may distinguish between three levels of rules (Kiser & Ostrom 1982). At the *level of action* we apply rules directly affecting concrete action; we can speak of standards (dimensions for roads, specification of emission from smokestacks) or rules of conduct (traffic code). Those regulated by such directions may often apply them to circumstances, and they do this more than their superiors maybe would like (cf Lipsky 1980). At the *level of collective action* we define rules for future action. These are principles for smoke emission or desirable conditions in the community and are often called policies although they do not become actual policies until they are implemented, i.e. transformed at the level of action. At the *level of the constitution* we discuss principles for future collective decision-making, democratic principles etc. These constitutional rules are typically very difficult to change; collective decisions are somewhat easier to take up for revision, and action rules are frequently adapted as part of the process.

At a more specific level, working rules can be set up in a number of categories (adapted from Ostrom 1986:468)7:

Boundary rules set the entry, exit and domain conditions for participants.

Scope rules specify which states of the world can be affected and set the range within these can be affected.

Position rules establish positions and assign participants to positions.

Authority rules prescribe which positions can take which actions and how actions are ordered, processed and terminated.

Information rules establish information channels, state the conditions when they are to be open or closed, create an official language and prescribe how evidence is to be processed.

Aggregation rules prescribe formula for weighting individual choices and calculating collective choices at decision nodes.

Payoff rules prescribe how benefits and costs are to be distributed to participants in positions given their actions and those of others.

These rules are related to the elements of the institution, as defined here: the scope rules concern the policy problem, authority and payoff rules relate to order and meaning, and the remaining four rules relate to positions and the network. The rules are mainly of constitutional or collective choice character, defining the basic rules of the game and some policy aspects, whereas the action rules will be an outcome of them. They are to be

7. Somewhat similar sets of rules can be found in Bums & Flam (1987:102-108), determining: *who may act, why - for what aims, what action can be taken, how can decisions be made, what means are available, when can activities take place and where?*

understood as examples only, they apply to the specific conditions that are described by Ostrom, and they must be adapted to specific circumstances by the researcher doing empirical analysis.

The most important aspect of the multi-layered institutional arrangement is the realization that in decision-making situations, different logics of rules apply, depending on what level it takes place on. Thus, an actor making daily decisions must be aware of the institutional roots of a decision, if he considers to act otherwise than standard operating procedures would prescribe. If the rule is contingent upon the collective choice level, it is difficult to change without breaking the basic logic of the institutional system. On the other hand, this depends on the precision of the language of the rule; it may be phrased so that in reality, the working rule(s) are made at the operational level, and thus possible to alter at that level. If then it is desirable to change an collective choice rule, this must be done in accordance with the rules about rules set at the constitutional level, this requires awareness of such information by the actor at the operational level, who then must initiate the proper procedure rather than take substantial initiatives. Likewise, actors at the collective and constitutional levels⁸ must realize their potentials and limitations regarding action at the operational level.

4.4.3. *Positions and networks.*

Within the parameters of policy problem and rules one will be able to identify a number of positions in relation to scope of action, including the formulation of rules. These positions are roles, and hence individuals may have different roles in several settings.

By means of interaction, positions and rules will form a network, a structure which can be identified analytically and separated from other networks so that the character of the institution can be discussed: its pattern of influence, exchange forms, typical instruments etc.

Using the typology from above (Ostrom 1986), rules will define the *boundary*: the basis for membership must be clarified; who can join and who cannot? Next is must be clarified what roles different members can play in different situations by the *position* rules. How are decisions made and where - is to be clarified by *aggregation* rules. And finally *information* rules can define what may be used as evidence in different situations.

Often formal powers can have great importance, but as organizational researchers know, formal powers are not sufficient in all situations; there is often a large network of informal roles and judgments of role incumbents which could mm upside down the impression one got from the formal

8 Since we are talking about roles, the same individuals may act at several levels, but they must adapt their reasoning to what level their action situation is at.

organization. Similarly in politics, it is not enough to read the constitution of a country to understand policy - one of the achievements of political science is precisely to help us understand how and why policies are actually made. For instance, corporate structures are not part of the Danish constitution, nonetheless, some researchers do not hesitate to label some of the interaction patterns in Danish politics corporate (Damgaard & Eliassen 1978).

In institutional analysis, both organizations and individuals may be used as units of analysis. Analytically, one must distinguish between individuals, organizations and inter-organizational entities and relate the interaction accordingly. There is, however, no *a priori* limitation on the perspective, no hypotheses about the significance of different types of actors. Sweeping generalizations like "human activity is hierarchically organized" (Burns & Flam 1987:49) seem meaningless as a starting point for analysis - whereas that would probably be true under specific circumstances. The circumstances then are the interesting ones to specify, that is the very task of the researcher.

4.4.4. *Order and meaning.*

What does an institution give its members in return? Does it yield order and meaning? This is our suggestion for many of its members, but that suggestion is, of course, to be made plausible by empirical research.

Order is for some sociologists the constituting concept for their science. Julius Morel is one example, he defines social order as the sum of norms at play in a social entity leading to characteristic resemblance in the behavior of the members in relations within the institution and in relations crossing the boundaries of the institution (Morel 1986:21, 52). Thus a democratic order means that regarding political power in a society, one will find that the members perceive a number of rules of the game valid to secure the specific type of democracy valued by that society (e.g. majority rule and minority protection). Regarding democracy, a number of behavioral patterns, rights and duties then rule the action scope, and the dominant form of thinking is related to this form of democracy; alternatives (e.g. totalitarian or anarchic ways of thinking) are rejected.

By establishing order we ease the process of integrating social entities, and at the macro level, political institutions have a special responsibility in that concern. Concern for integrative institutions deals with questions of how different institutions tend to develop different citizens and different societies. Important "concepts" are good sense, justice and appropriateness. For instance, rights are key aspects of the structure of social belief. The institution is an embodiment and instrument of the community or of the democratic order as a constitutional system, captured by common cultures,

collective identities, belonging, bonds, mutual affection, shared visions, mutual trust and solidarity. One can, however, pose a question of "integrity" to investigate whether the political process ensures that participants act dedicated to the common good?

Such questions are ambitious, and they go a little too far for this project. At the micro level, Elster (1989) likewise points to political institutions as being responsible for social order understood as predictability of behavior and as an inclination to cooperate among the members of the society. He points to four mechanisms contributing to that effect: altruism, envy, social norms and self-interest which in complex, interacting processes form the "cement of society". In contrast to March & Olsen, Elster recognizes personal drives for individual gain as important.

Meaning implies that the members of the institution see it as something giving them a payoff or fulfilling a need. We are talking about a function that may be cognitive, but it is probably often expressive. Hence, meaning can be utilitarian, giving material return, but it can also be symbolic where the outcome is not tangible goods but meets some important values. In addition, the institution by means of its rules makes it easier for the actors to behave in the right, i.e. in the accepted way whenever an unexpected situation comes up. There is, though, the possibility that someone misinterprets the situation and behaves according to the rules of another institution in which case the result might be disastrous for one making the misinterpretation (cf. Burns & Flam 1987:42-49).

If meaning has developed among the participants, they tend to share interpretations and preferences within their group, but their ideas may not be shared across groups, particularly if there are cleavages among them protected through contact- or resource buffers (March/Olsen 1989:3-14). Organizational principles thus become important vehicles in defining interaction patterns and bases for both trust and mistrust among groups; the institutions are important bases for the interpretation of the surrounding world for the participants.

Generally speaking we can say that the institution creates order making it possible to predict what may happen under specified circumstances. The institution thereby removes an uncertainty that the members typically see as unwarranted. We can talk of a degree of instrumentality in that regard. An institution fulfills some wants which may be defined objectively or subjectively; subjective wants may be desires for participation, ways of expressing oneself, feeling of security etc.; objective wants could be coordination, protection of minorities etc. By saying this I do not want to imply that institutions *must* satisfy such wants. There is no rigid functional model behind these points of view.

The concept of meaning gives us an opportunity to stress the symbolic side of political life. Political scientists have tended to join forces with those who opt for rational actions based on material preferences. This is the way most politicians prefer to make their actions legitimate. But why neglect the symbolic side? After all, many political speeches can be shown to have little tangible content, but much in addressing the values of the audience. By confirming the values, the speaker assures their sense of order in the audience and justify their ideals. March and Olsen (1989) use the concept of appropriateness; institutions are instrumental in defining what is appropriate to do and think.

From an individual perspective, one may speak of costs and benefits by participating in an institution. Costs could be the use of time, lost alternatives, sub-optimal income etc. Benefits could be predictability, warranty against great losses etc. These costs and benefits, then, actors must consider before they decide whether or not to join. By saying that I do not want to imply that actors *must* perform such considerations in order to participate. There is no claim for methodological individualism behind this approach.

Last, not least, one must consider what new knowledge and/or comprehension is achieved. From the perspective of the individual, a number of solutions will often be too unattractive to be pursued. A typical example is the tragedy of the commons (Hardin 1968) where the individual user over-uses the a natural resource and consequently, the collectivity suffers by losing that resource - examples are grazing, fisheries and pollution of lakes and even oceans. Here a collective solution can bring about an understanding which would not have come about without the institutional setting putting the interests of the collective above the immediate interests of the participants (Ostrom 1990).

4.5. Analysis of structuration processes

To accept the contents of this chapter one must accept being eclectic in combining various elements of approaches to the analysis of processes of organizing, or structuration. But before we do that, the general language of the analysis should be determined. We approach discourse analysis below.

4.5.1. Discourse analysis

Discourse analysis is increasing in importance in contemporary research strategies. But discourse analysis has several versions; in the language of chapter 2 one is more structurally oriented, one more tuned towards the role of the individual in context. We shall take a look at such two versions below.

Since my main interest in this book is to prepare for empirical analysis, I shall exemplify some basic elements of structural discourse analysis from a

book on Danish public administration by Niels Akerstrom Andersen (1995) who bases his approach on, among others, Derrida, Laclau & Mouffe and Foucault. He states that all people are

caught in the institutional construction of society. It is not possible to escape the institutional prison, but it is possible to watch it (Andersen 1995:16, PB translation)

Although he also states that institutional arrangements, understood as sanctioned ideals and imaginations, do present us with both possibilities and constraints, Andersen clearly first of all sees institutions as constraints, prisons. Our prisons are to be analyzed by discourse analysis in a historical account of how the institution was developed (Andersen 1995:17-23). Any institution is logically based on one or more *ideal(s)* for social action. In order to become meaningful, the ideal(s) must be communicated by a *discourse*. First, the discourse describes the ideal by determining how phenomena may be examined, spoken about and regulated, the ideal is made an *object*. Second, the discourse determines the place of *subjects* wanting to act vis-a-vis the object. Third, the discourse determines the *rules* for how verbal exchange may take place between subjects, and what statements are acceptable to the process of exchange. *Institutions* are authorizations of the discursive distinctions; sanctions are defined and individuals and collectives are committed to them. The institutions are subject to change as the discourse changes; they perform as normative orders, but may be adapted or even broken.

The basic element of this sort of discourse analysis is communication, not behavior. Therefore, in an analysis of public administration it typically deals with documents like committee reports and similar exponents for discourse. Such documents are examined for structures of meaning and changes indicating how institutions change over time (if they do change). On the basis of such documents Andersen (1995:29) determines the degree to which a bureau⁹ can be understood as an autonomous system which is self-referential, i.e. capable of defining itself in relation to other bureaus.

Such a more or less autopoietic understanding of action within public administration makes this version of discourse analysis impossible to use in analyses of local collective choice. The system is the determinant and it is reified into behaving like humans, e.g. by self-reflection (in several levels of order) and abilities to learn. Such an understanding can only be based on abstract reading or coding of documents, which precisely is the technique used by Andersen. Unable to distinguish between actors behind the produc-

⁹ By bureau I mean a fairly large entity of public administration, i.e. a ministry or a number of offices with a common goal within a ministry.

tion of documents, all documents are taken as equally valid for an interpretation of the system, acting as a human being. Which it is not since it cannot be taken to answer for its actions: only humans within the organization can, as clearly demonstrated in any case of error; no systems are blamed, only human beings¹⁰.

But there are other forms of discourse analysis, much closer to the realities of action and interaction between actors in the public administration bureaus. Fox & Miller (1995) have developed an approach for analyzing public administration, based on discourse analysis in a somewhat different clothing. In a nutshell, they claim

that the formation, implementation and administration of public policy may be better grasped as energy fields populated by nodes of intersecting human intentionalities loosely organized around problematics - questions what we should do next. (Fox & Miller 1995:111)

The examples they use as illustrations indicate that by energy fields, they think of something like a policy arena where any actor trying to get involved is counted, disregarding the status within or outside the formal organizational hierarchy; individuals of the civil society are as important to include in the analysis as is the bureau chief or the secretary of state. Only the policy arena is defined by an identifiable policy, whereas the Fox/Miller approach would address any problematic that could be identified and which, one must suppose, would involve some degree of public intervention. The object of the analysis is linked to human intentionalities or conscious actions, and they have some degree of organization to them, but not necessarily a formal one. So network analysis is important in the approach, mixed with a comprehension of the conceivable roles of institutions constraining actors as well as giving them capabilities for action. Institutions are the practices of a number of actors discernible over time and space, institutions are not things, i.e. they are not organizations.

The approach stresses the importance of analyzing human actions, intentions and motivations rather than roles, it is the body-subject that is of interest (Fox & Miller 1995:80). Individuals are important as are the problematics they perceive and bring to the attention of other actors; people have projects or strategies they want to pursue, and hence have discourse capabilities. We are to understand them as such human beings rather than to analyze actors as counterparts to rats reacting to some sort of stimulus (Fox

10 One obvious case is the (in)famous Danish case of the Tamil refugees where the responsible minister finally was taken to the Court of the Kingdom which has not been in use since 1910, and sentenced. The permanent secretary was removed from his post.

& Miller 1995:86). There is no understanding like the utility-maximizing *homo economicus* that reacts to ideas and opportunities as do hungry rats.

Thus this approach has the advantage of being fairly close to the "normal" understanding of public administration found in the literature by stressing the roles of individual actors, but certainly in their institutional context and with an ability to reason rather than just maximize a particular utility function. It is in plain contrast to the systems analysis reported on above, which is quite remote from any recognizable pattern in the mind of the reader, to be understood as him/herself a knowledgeable individual with a project. It is also in contrast to the simple economic man.

One problem in the Fox/Miller approach is the use of a Habermasian imagination of the world, based on dialogue that is sincere, serving the public interest, based on involvement of individuals willing to listen, and contributing substantively to the solution of the problems at hand. Any one who has participated in public administration can recall situations where at least one and even all of these prerequisites were absent, where motives were hidden, where only self-interest was important, where the boss would not listen, and where nothing substantial was accomplished, only another meeting scheduled... Undoubtedly, public administration and policy-making certainly also concerns questions of power and the tactical uses of powers. The authors maintain, however, that they have described an ideal situation, not an accurate depiction of the world (Fox & Miller 1995:127-28). Consequently, their analytic principles enable them to identify any type of situated discourse and then classify the findings against the Habermasian ideal of exchange of information. So one may find both a monolithic "interaction where the top decides everything, as well as a chaos where there is no way a structured exchange of views can take place. None of these fulfill the ideals, but they do constitute observable phenomena which may then be subject to constructive critique to make them work more near the ideals set up by the authors.

But most important for our purposes is the observation that discourse analysis is applicable to local collective choice situations; it is an approach which need not be unduly rigid in its presuppositions as the type of autopoietic systems analysis referred to above where the theory defines the acceptable "empirical" findings with no possibility for qualification.

We need to add some perspective to the principles of discourse analysis to make it compatible with a world that is structured by power relations as well as relations based on free exchange of information. Here, the processes of building up capabilities for action could be important indicators for such "imbalances" between actors, apparently structurally determined, but certainly also due to careful analysis and subsequent action by some of the actors involved.

4.5.2. *Methods of Analysis*

Discourse analysis means, then, to analyze communication between actors. However, it is not communication in its own right, but situated communication between body-subjects and/or organizations. Both individuals and organizations have strategies for action, or projects they relate their actions to, and their communication is based on their understanding of strategies and projects. Communications may be grouped into patterns like policy networks, but not necessarily identified on the basis of formal policy definitions and understandings, and they often transcend formal organizational boundaries.

We now can summarize and briefly touch upon the methods of collecting data about such communication, the details of how to do this is the subject of next chapter on bottom-up analysis. I want to compromise between the methodological individualism and the collectivism principles because both present us with unattractive and unrealistic preconditions for the analysis. Individualism has a tendency to disregard the structural barriers that may hinder action as well as furnish the actor with capacities for action; the tendency to stick with the lonely individual maximizing his utility does not square well with observations of people working together, disregarding their own immediate interests and involving themselves in complicated non-zero-sum negotiations and tacit adaption to the ideas of other members of such a group. Collectivism tends to neglect the individual and see outcomes as predetermined by structural principles that are unchangeable within a fairly long time span. They thus cannot grasp that actors can and do make a difference under certain circumstances which it may not be possible to classify beforehand. The dynamics of the situation may be deciding for the particular actions that are taken, and such actions may change apparently unalterable structures.

Such analysis may be performed as *individual-cum-institution*. In chapter 2 we discussed the *individual-cum-structure*, and that general idea is easy to transfer to an institutional setting: individuals (and groups) acting within an institutional arrangement, using rules etc. as constraints as well as resources for action, and doing this in a dynamic way so that over time, the arrangements themselves may be subject to change. What counts, then, is the practices of people, of body-subjects, not puppets acting in roles unalterable by themselves. These practises may also be analyzed as representing the strategies of an organization. The data to observe is various forms of communication, but this certainly should not be restricted to documents believed by the analyst to be of particular importance because of their impressive binding or series number determined by an authorizing public entity. Such

documents may be conspicuous, but they may also be deceiving and should be carefully put into perspective(s) based on other material. The apparent authority of documents should not be taken for granted¹¹. So other methods should be used. There may be lots of paperwork found in the archive, be they official ones or more private hidings of officials. Such documents indicate much about the actual practices taking place in the agency and in interaction between agencies. Furthermore, one may observe actual communication taking place, and one may interview people involved in previous communication situations, both about what they perceived took place, and what they understood in more tacit ways.

Thus one may use several methods to approach the problems of reconstructing the structuration processes linked to a problematic, seen as *individual-cum-institution*. In chapter 5 we shall go more into detail with how to perform such an analysis; in particular, by using a bottom-up approach.

11 Basically the analyst should use a critical stance to any object just as historians use their supplemental insight to put any evidence they come across into a critical perspective.

5 RESEARCH DESIGN BOTTOM-UP

This chapter discusses important aspects of preparing an institutional bottom-up analysis based on the principles of the previous chapters. There is no recipe for the empirical analysis, one must adapt to the particular circumstances of each and every research topic.

We start out with the literature on implementation analysis, For about 20 years there has been a methodological debate going on in the political science and policy literature on how to structure empirical policy analysis: Should we take departure from the problems (goals) as stated by the top (the president, the parliament, the leader of the organization) or should we start out with the problems as perceived from the bottom (the client, the field worker)? There is no generally recognized answer to this question which may be understood as a provocation rather than a clear alternative. We shall review some of the arguments and then proceed to present an approach with a strong bent towards the bottom-uppers, but still to be considered a move towards a reconciliation with the top-down perspective.

We then continue to discuss how to approach a research design based on the principles of institutional analysis set up in chapter 4.

5.1. The debate reviewed

Implementation research got its start as a distinct field in 1973 when Pressman and Wildawsky published their *Implementation*. Academics tend to exaggerate the innovative and unique character of their work, and Pressman & Wildawsky probably were no exception when they in their preface claimed that no one except Martha Derthick had done thoroughgoing implementation research before. If that were true - depending, of course on the meaning ascribed to thoroughgoing - one might wonder what researchers involved in public administration had spent their time doing, to say nothing of the numerous case studies analyzing the outputs of policy-making?

In so far as there is any, the difference is one of analytic emphasis' where concern for policy is the crucial *sine qua non* for the implementation

1 The following remarks are based on my reading of a number of sources over the years, in particular Hjern & Hull 1982, Hjern & Hull 1987, Sabatier 1986, the articles in Hanf & Toonen (eds) 1984 and own observations.

researcher. First, implementation research stresses the link between politics and administration where public administration, particularly in the USA, tends to separate the two. Therefore, implementation research works within an understanding of a policy process involving a large number of actors within or outside the public organizations where public administration tends to see politicians as goal-setters and public bureaus as output strategists with little regard for other channels of influence. A major task has been to better understand and hence conceptualize the policy process, typically it has been by defining a number of stages like e.g. preparation, decision, resource mobilization and allocation, evaluation etc. - examples abound with different emphasis and sophistication. Second, implementation researchers stress the significance of the contents of the policy for the research questions, public administration researchers hold the organizational perspective and/or a legal emphasis in high esteem and tend to generalize across policy fields. Consequently, public administration may do research in the recruitment of personnel as such (e.g. from a perspective of equal opportunity) where implementation research would see personnel recruiting as interesting only in so far as it has consequences for the policy process and/or the policy outcome - or as a policy problem proper, but then with little regard for the traditional public administration research so intent on registering and classifying data, but rather inactive e.g. in questions of equal opportunity.

One might therefore say that implementation research puts the policy-making process and the outcomes of policies in terms of social effectiveness at the center of the analytic interest where public administration proper has more interest in the organizational processes of the bureau and the outputs of the organization in terms of organizational efficiency. However, these differences are a matter of degree more than absolutes, and over time implementation as a concept and a field of study has become a natural part of most public administration syllabi.

Only a few years after the publication of *Implementation* implementation research had become a growth industry, so the time for such analysis certainly was ripe. Pressman and Wildawsky hit a broadly felt need for analysis breaking the apparent analytic barrier between policy formation and policy execution where political scientists had done most about the former and public administration researchers most about the latter. The empirical evidence from both lines of research, however, had tended to be based on actions the offices of the organization without much interest in what happened out there; political scientists were interested in the making of law, public administration researchers were interested in how bureaus set up strategies. Implementation researchers broke the organizational barrier, doing inter-organizational and inter-governmental research to trace what

actually happened in a sometimes long chain of actions by various actors involved in a continuing process of negotiating what should be done and what would be feasible to do.

The original implementation research was made *top-down*, i.e. from the perspective of the decision-makers at the apex of the chain of actors. Typically these were legislatures writing a law or top bureaucrats or commissions setting out policy principles. How did the law or the policy fare? What happened to the ideas of the elected official or the orders barked out by the executive?

Richard Elmore has described the top-down perspective from the executive office *as forward mapping*:

It begins at the top of the process, with as clear a statement as possible of the policy maker's intent, and proceeds through a sequence of increasingly more specific steps to define what is expected of implementors at each level. At the bottom of the process one states ... what a satisfactory outcome would be, measured in terms of the original statement of intent (Elmore 1979:602).

Policy implementation research followed this pattern. As indicated above, the new about the approach of implementation research was the broadened perspective of the policy process and the tendency towards an intensified interest in substantial consequences or policy outcomes. The typical reaction was "what went wrong?", when the researchers found that as the distance to the top policy makers increased, the discrepancy between field actions and policy objectives increased, too. In other words, there was a tendency to phrasing research question in terms of organizational problems since the directions of the management of the organization did not accomplish what was intended. Implicitly, then, the cure was to strengthen managerial oversight and control instruments, a cure that disregarded the inter-organizational facets (over which managers do not have control, but must resort to negotiation, Franz 1986) and, in addition, disregarded the possibility that field workers may need some discretion in order to cope with variance not foreseen by the top (Lipsky 1980). Furthermore, the approach forced the researcher to accept the goal(s) of the policy as a given which in principle had to be followed because the legitimacy of the decisions of the top could not be questioned.

Soon a criticism of the top-down approach set in, already hinted at above. First of all, the approach was criticized for being unrealistic in focusing on the implementation of formal goals as formulated by law or executive order. This led the researcher to a focus on the chain of command established by the leadership and thus made the researcher run a risk of not encountering a number of activities that may be crucial in understanding the

actual as opposed to the presumed network of actors involved. The formal perspective makes activities by actors that are not authorized to act "noise" in an otherwise perfect and functioning world correctly socialized individuals. In particular, the approach had problems in analyzing interactions between organizations which all perform a role in the implementation process. Second, the criticism indicated that focus on formal tasks begged the question of relevance of those tasks to the formal goals and to the problems of those the public action would be supposed to help out. The researcher became the instrument of the political elite and is not in a position to question the appropriateness of the perceptions of that elite and the way it links political aims to public action. This could be troublesome especially in cases where the goals were only indicated in a loose and imprecise way, giving actors some discretion to adapt to local circumstances. This is the case in many modern legislative initiatives, but it presents the researcher with a problem if the policy ideas as implied by the political elite are the only valid ones to evaluate ensuing local action by.

Criticism was also voiced regarding the top-down perception of a policy process (Barrett & Fudge 1981), especially the lack of an understanding of the process as a negotiation process, and correspondingly a lack of understanding of the possibilities for implementing agencies to respond to prescribed goals and adapt them to local conditions. Both factors seem quite important in analyzing implementation not as a technical problem, but as an inherently human concern.

The alternative presented by bottom-uppers is to do an inductive rather than a deductive investigation. Richard Elmore has characterized the bottom-up perspective in policy formation as *backward mapping* which

begins not at the top of the implementation process but at the last possible stage, the point where administrative actions intersect private choices (and) begins not with a statement of intent but with a statement of the specific behavior at the lowest level of the implementation process that generates the need for policy. . . . Having established a relatively precise target at the lowest level... the analysis backs up through the structure of implementing agencies asking ... what is the ability of this unit to affect the behavior that is the target of this policy?... (Elmore 1979:604)

In terms of policy implementation, then, this is to work systematically backwards from the pattern of allocation and along the chain of decisions to reconstruct the allocative process (Hull & Hjern 1983:304). Bottom-up implementation research, then, runs parallel to backward mapping, but in an investigative rather than a prescriptive manner. The trick is to take departure from a particular problematic which is addressed by collective action and thus, in so far as public actors are involved, becomes a part of a public

policy concern. The aim of the researcher then is to reconstruct what actors are involved in the attempts to solve the policy problem, what their goals and resources are, and how they behave strategically. This is constructing what Hjern & Porter (1983) call the *implementation structure*: a number of activities whose common denominator is an interest and a stake in solving a policy problem. These activities are carried out by actors who often turn out to (but they don't have to!) belong to different organizations, in other words an interorganizational network coordinating the activities of parts of different organizations. We shall go deeper into this below.

The bottom-up approach was voiced in journals 5-6 years after the top-down approach hit the academic marketplace. A compromise or even synthesis was suggested only a few years later, and by both camps². Sabatier (1986) has suggested an approach that starts out bottom-up with the policy problem and the strategies from actors across organizational boundaries and sectors (public/private). These actions, however, must be put into perspective by the structuring forces of legal and socio-economic factors - where especially the legal framework may be manipulated top-down; furthermore, one must take into account the causal factors affecting the policy problem, and how these are perceived by the actors. The network is conceptualized as an "advocacy coalition", pursuing the common goals, acting under constraints and conditions for capabilities from the environment.

The grumbling, reaction from Hjern & Hull (1987) was that this compromise was too much based on a top-down perspective with a local network approach added; for instance, Sabatier assumes that actors want to add their ideas to a governmental program where Hjern and associates have found that by and large, they don't: they want to exploit any program for their purposes and don't bother to formalize their aims. Furthermore, Hjern & Hull suspected that the existing programs would eventually form the basis for such an analysis, all good intentions to do otherwise notwithstanding. Instead, they offered a three-stage research process: a *first* stage involving a local mapping of the implementation structure, a *second* stage (overlapping the first) involving the development of program typologies and indicators for policy performance (outreach, fit program/needs, substitution of public/private resources, performance indicators), and a *third* stage comprising successive rounds of interviews from the bottom to the top of the chain of command within each program, confronting those actors with the research

2 Publication dates are a little deceiving. An article published in a journal mostly has been on its way for several years. The bottom-up perspective was really developed in actual research and reflected in conference papers from the mid-to-late 1970s, and the synthesis from the early 1980s. The Science Center Berlin and a research group headed by Fritz Scharpf formed the intellectual forum for many of those discussions.

results regarding the actual processes within "their" program, to get their reactions. The results of the empirical analysis then must be confronted with the prescribed implementation structure to assess whether or not the existing policy network makes sense.

We will now turn to a more in-depth discussion of the bottom-up approach as the basis for an up-to-date adaption to collective action under postmodern conditions, to the type of society where decision-makers at the top may be even less in control than their colleagues in the modern society - who, as we saw above, assumed to and were thought to be in control, but often were not. And if they are not, a bottom-up approach may come in handy to analyze the processes as they have unfolded.

5.2. Policy analysis bottom-up

The bottom-up approach was systematized by researchers investigating regional policies and labor market policies. Confronted with an apparent mess of organizations, public and private, involving themselves in a regional or local network of interaction to solve problems as they were seen out there (rather than as seen by the fathers of the law), the researchers found a lack of theoretical and methodological sufficiency in the traditions of public administration and political science where constitutional mandates and closed organizational goals were dominant. There was no fit between theory and reality - of course due to the specific circumstances of the policies under scrutiny: little knowledge of causal theories to promote the aims of the policies, and correspondingly little knowledge of how problems used to be solved at the local level. One might understand it as a benign welfare state apparatus confronting problems which were hitherto ruled by market forces, and giving a formal response based on traditional bureaucratic formula rather than innovative behavior from the top. This, then, prompted *ad-hoc* responses from the local actors making do incrementally as they confronted new problems.

The bottom-up approach is an approach to implementation analysis, but as will become clear, it is more and more an approach to policy analysis in general than a special approach to the implementation of a policy. The division between policy formation and policy implementation simply becomes irrelevant, if one presses the argumentation to its utmost. But one need not do so, the bottom-up approach is, if one wants it to, a method of doing policy implementation research. For obvious reasons we do not want to stick with the implementation aspect only.

There are several intellectual roots of the bottom-up approach (Hjem & Lundmark 1979), and by traditional standards they are somewhat conflicting: they come from both collectivists and methodological individualists.

The first type of challenge to traditional ideas came from the political science research conceptualizing the systems of control within a mixed economy. Basically, the idea was that neither the market principles nor the traditional liberal democracy conceptions described the processes of controlling the society type Scandinavia well. Both the ideal market and the ideal democracy were perverted by the features instigated by the increasingly aggressive interest organizations which in terms of the market thwarted the mechanisms of the free exchange by means of collective bargaining, and in terms of democracy short-circuited the processes of linking politicians and citizens by dealing directly with the bureaucracy. These problems were analyzed by the Norwegian Power Research Group in the mid 1970s, in terms of control systems and the performance of the economy most forcefully by Hemes (1978). In terms of neo-corporatism and its meaning to the democratic processes, the analyses by Olsen (1978) and associates have had lasting influence on Nordic political science. Neither of these approaches, however, invited to an analysis of actual policy performance.

The second, individualistic set of ideas were based on research challenging the hierarchic model of public administration and arguing for stronger market-like mechanisms in organizing the public sector (Ostrom 1974). The original bottom-up research had political programs in its focus, and therefore a market parallel did not seem appropriate, but the idea of administrative actors having some sort of socialized self-interest did ring a bell for researchers finding local and regional actors apparently making *ad-hoc* coalitions for making do with public means that did not perform well within the formal organizational structure set up by the parliament and central bureaucracy. The solution in theoretical terms was to give up the traditional ideas about hierarchy within organizations as the most important factor constituting public organization action, and instead to emphasize links of negotiations between individuals crossing the organizational barriers in inter-organizational relations.

Hjern & Hull (1984) emphasize the apparent lack of consistency by letting "Weber meet Durkheim", the individualism of Weber confronting the structuralism of Durkheim in the analysis of inter-organizational relations. The starting point of implementation research was to challenge the received view that policy performance was equal to policy goals, unless some more or less criminal activity intervened. Deviation was a violation of rules and since such misdeed was frowned upon, the management more or less presumed that as long as there were few violations, policy goals were accomplished³. The researchers evaluating regional and manpower policies

3 This approach is comparable with that of auditing: have the rules been followed and money spent according to budgetary categories? If so, the auditors are satisfied. But it is noteworthy that by the mid-1990s, there is a fairly large OECD initiative in the PUMA group aiming at broadening the scope of auditing. It is called performance auditing, aiming at analyzing the rationales for

found that deviation was the rule, but also that the organizational top knew very little about what was really going on because activities were not closely monitored.

The aim of the researchers, then was to reconstruct the group of individuals linking organizations, map their network regarding the policy problem under scrutiny and understand their rationales for action. This is to reconstruct the implementation structure, an analytic construct, not something found in the phone directory. According to Hjern & Hull (1984), such an analysis based on individual motives for participation is linking the Weberian understanding of the role of accountable individuals to the Durkheimian understanding of the role of a social element in an individualistic world - in Durkheim's case it was the organic solidarity reinforcing common values and goals in a society with organizations pursuing separate goals, in implementation research cases it is some values (differing according to the type of policy problem) linking individuals to a more or less common understanding of a policy problem, no matter what organization employs them.

We can now leave these formulations of the original researchers aside, and in the following we do not restrict the discussion to implementation only, although in so far as we quote other researchers, most of them address implementation questions. One can say that the goal for the bottom-up analysis is to reconstruct the institutional setting within which individuals perform activities across formal organizational boundaries, based on one or several norms spanning the organizations, or set up by the individuals through interaction or tacit understanding, maybe contrary to the goals of the organizations involved. This is what I called an *individual-cum-institution* approach in chapter 4: individuals acting within institutional constraints, changing, where possible, constraints into capabilities, in these cases by making alliances across organizational boundaries and framing action with a common understanding (institutional norm) of the policy problem. These individuals are not just Mavericks maximizing personal interests, they act as responsible individuals, accountable to accomplishing the best possible outcome for the (public) program they are involved in - as employees, elected official or in other roles of importance for the network.

Durkheim saw organizations (trade unions etc.) as intermediaries between the population and the state, being objects for state regulation and knowledgeable about the wants of their members. Such organizations and their interplay with other actors were a guarantee for a sensible development.

action rather than the legality of action. So even auditors seem to be breaking the bonds of tradition.

of the society which might otherwise lose a common purpose due to the specialization processes of the modern society. As a parallel phenomenon, the bottom-up reconstructed institutionalization of (local) actors in a policy network may, then, with Durkheim be hypothesized to guarantee that those affected by the policy under scrutiny are better served than they would have been under a normal, formal-organization-dominated implementation process where the specialization of each organization may prevent a common cause to be pursued (Hjem & Hull 1984).

As Sabatier (1986:33-35) states, this approach has some strengths and some weaknesses. The concept of implementation structure is based on a methodology of interviewing key actors who then identify other actors they interact with; these in turn are interviewed etc. This procedure is reliable in reproducing the network. Furthermore, the idea of letting the actors reflect upon their perceptions of the policy problem puts the researcher in a position to evaluate the relative importance of various governmental programs for solving the policy problems, and the accomplishments of other actors as well. These are then evaluated on the basis of all local consequences, both intended and unintended, based on their strategic interaction over time. The bottom-up approach thus is well suited to a dynamic analysis, focusing on changes as they occur locally, rather than as some program manager wishes to initiate new facets of his program.

On the other hand, the bottom-up researcher may overemphasize the importance of local points of view, at least as long as there is no compensatory interviews with the top. Furthermore, they must be aware of the historical background for local action, including prior activities outside the public realm. These problems may, however, be overcome by a proper research design.

The final problem relates to the *a priori* lack of theory about the policy problem and factors affecting it. In one sense there may be a temptation to use *grounded theory*, but on the other hand nothing prevents the researcher from using a relevant theory. Of course, this is a choice to be made once one has selected the policy problem. How is the researcher then put in a position to systematize the perceptions of local actors? There may be several ways to answer these questions. We will do so by discussing below how a bottom-up analysis could be carried out.

5.3. Research Design Bottom-up

In this section, we shall try out an explicit combination of the institutional theory and the bottom-up approach. We will follow the outline of chapter 4 of policy problem, norms and rules, positions and networks, and order and meaning, and discuss their relevance for empirical analysis.

Be warned, though, that unlike methodological books on e.g. statistical analysis, this will be no book of recipes for doing the research. Most bottom-up research is qualitative, requiring the individual researcher to adapt the general principles to the concrete situation, and given the variance in such circumstances, probably no one else can do it.

5.3.1. *Policy problem*

The way the researcher addresses the policy problem is crucial for the whole analysis. This is where the scope of the whole research project is decided: what is to be included, what is to be excluded in the data collection process - only those who are relevant for the policy problem. So if the policy problem is not correctly conceptualized, a coherent analysis cannot be accomplished. On the other hand, it is possible to re-conceptualize along the road, if some major problems turn up, but only if one then goes back to the data collected earlier to re-analyze whether they fit the amended policy problem conceptualization.

We shall below take a closer look at three conceptualizations to help grasping the policy problem: externalities, professional knowledge and discourse analysis.

The *first* way of approaching the policy problem is based on the economists who have provided us with an excellent conceptual tool: externalities. Simply stated, the activities of an individual or organization may affect other actors; if it is positive, it will add to their welfare; if negative, it will reduce their welfare. In the case of negative externality, those who suffer should in economic terms be entitled to compensation, a factor which the producer must take into consideration, i.e. add to the costs of the production. It may, however, be difficult for the victims to claim their compensation - what is the value of factory noise, and how may one persuade the owner to pay? In the case of a positive externality, the problem for the producer is logically the same: he cannot collect any fee because the externality comes whether or not the beneficiaries want it.

These problem of the economists aside, the concept of externality seems intuitively well suited to identify actors relevant for a number of policy problems. A typical application concerns environmental affairs where it is rather easy to establish a causal link between the waste disposal of somebody further up the river and poor water quality down the river, or a connection between smokestack emission and sulfur dioxide pollution of lakes to the leeward of the polluter. In such cases, the policy problem can be stated in terms of acceptable emission given a desire to keep a particular quality of the recipient, and the relevant actors would primarily be those who are dependent on the activities of the polluter (*jobs*, economic activity)

and on the quality of the recipient (fishermen, recreational purposes, esthetic qualities for residents). Pollution and production is not, however, purely an affair of local interest, there may be a larger community (which may even transcend the national borders) where interests can be at stake (e.g. the ozone layer).

Policy problems concerning the uses of natural resources may also be approached by the use of externalities. Elinor Ostrom (1990) has analyzed a number of cases regarding the use of fish waters, forestry and agricultural fields where institutions have been set up to secure some degree of equal access to the resource. She has especially addressed the problems linked to the "tragedy of the commons" where users overuse the resource and thus removes their very basis for making a living; she has shown that the tragedy is not inevitable, given the right institutional setting defining rules for use, penalties for violating the rules and efficient monitoring of the rules. The analysis is based on a classification of the good that one wishes to preserve, on the basis of two factors. The first is *exclusion*: is it possible to exclude a user by e.g. pricing the good? Basically, this is a question of claiming and enforcing property rights. The second factor is *subtractability*: if one makes use of the good, does it preclude any one else from using it? Eating a fish is a irreversible process, and no one else can eat it, but any one can use the lighthouse for orientation. Elinor Ostrom's particular interest is collective action relating to goods where it is difficult to exclude users, and subtractability is high - typical facets of the commons. The policy problem, then, is conceptualized as an *appropriation problem*: who should get access, where and when; and a *provision problem*: how to maintain the stock of the resource so that it does not deteriorate.

Finally, externalities lie behind the understanding of a service industry concept as used e.g. by Ostrom, Parks & Whitaker (1978), where response time for the police force is an important parameter in analyzing service quality. The same goes for fire engines, ambulances and other rescue services. It is important, of course, to understand this as an average way of thinking, if disaster strikes with hundreds of fires, no service system can handle all the demands. But the analysis of Ostrom and associates has been used to indicate that cooperative agreements between various service producers (like the police) can reduce the overall costs of the service, so that not every police department needs to have equipment (labs etc.) to take care of any thinkable event. The more specialized the service, the larger district it can serve. In terms of policy problems, such questions often lie behind the concerns of citizens - they want to preserve a local public hospital even though it is not in the view of the doctors capable of much because it has not sufficient specialization.

The approach has been used to analyze the organizational pattern of local government in Metropolitan areas (ACIR 1987, 1988, 1992), by and large challenging the view that consolidated metropolitan government is more efficient than fragmented, multijurisdictional local government. There must, however, be some overarching coordinating body in the area, and there must be some redistribution of resources between affluent and poor areas to secure equality in funding services.

A *second* approach to the policy problem is linked to a more formal understanding, based on the (public) organization of a field of intervention: health, social affairs, regional development policy etc. - in some countries conceptualized as "sectors". Often these are very broadly defined, in many countries the "health" sector includes hospitals (including the insane), GPs, and care for the elderly, and within these sub-fields there are many extra specializations. Furthermore, there may be an overlap between e.g. roles involving care for the elderly within the health and social services sectors, and they may differ between countries. This said, there may be some advantages from using the sector concept. They often are staffed by professionals who have a distinct theoretical understanding of their trade. Thus there is a sort of short cut to conceptualizing the policy problem by adapting the professional knowledge. On the other hand there may be conflicting schools within the professional field, meaning that the researcher will have to interpret any interviewing situation according to the organizational leading ideas. Thus in a policy analysis of commuting, two distinct schools of thought might clash, one from the Directorate of Roads promoting individual private transport by car, the other from the Directorate of Railroads advancing public transport, preferably by rail but otherwise by buses. Furthermore, there may be distinctly different opinions between the professionals and local people as to what is important and what is not, and consequently there may be strong disagreements regarding e.g. the proper use of policy instruments.

More generally, the above may be conceptualized by policy networks, a common term in much analysis of inter-organizational policy research, as discussed e.g. in Marin & Mayntz eds. (1991). Of interest here is not so much the Iron Triangles of Washington, DC, but rather the interaction patterns among a multitude of actors, most of them relating to a public program. They may, however, have differing opinions about the proper way to perform the program, and hence there is a constant exchange of views about how to interpret the goals and how to allocate means and use instruments within the sphere of interest the participants share. So even though the point of departure for understanding the activities comes close to the policy sector, the resulting network is less restrained. Much of the policy network

literature has its intellectual roots in the theories of the organizational society; partly based on the "neo-corporate" understanding of the role of interest organizations in the advanced, Western society (Streeck & Schmitter eds. 1985), partly based on the extension of organizational theory into inter-organizational theory (Jørgensen 1977), spurred by the realization that the organizational boundary is difficult to define, once many members of staff spend more time interacting with people outside than inside the organization.

Furthermore, there is a broad agreement that hierarchical relations within the public sector often have poor validity, inter-governmental relations abound where negotiation skills are more important than an ability to phrase an order (Barrett & Fudge 1981). In the Nordic countries, law-making has increasingly been constructed as so called frame-laws where a number of general objectives may be stated, and some procedural requirements listed, but else the implementation is a question of having the ministry or even local governments set up goals and means. Such laws of course invite to continuing processes of interaction between e.g. the ministry and regional and local actors, and involvement of actors not previously counted on like non-profit organizations.

We are approaching some parallels to certain elements of discourse analysis, but this is after all so distant from the above that we shall understand the following as a *third* approach. Professional knowledge forms a cluster of interpretations of the world and of human activities, with some prescriptive elements as to how do approach problem-solving. We find strong elements of professional knowledge in the policy sector and in policy networks. Professional knowledge is explicitly based on scientific theories which are in this sense generally known and subject to agreement and disagreement; this in turn forms the basis for scientific advances. But there are other forms of knowledge guiding human behavior, some are based on science, most are probably not, at least not directly and not as a conscious choice by the individual. These other forms of knowledge may also be clustered according to use by specific groups. Fox & Miller (1995) use the concept of *energy field* to represent

a gathering up of sedimented compartments in *this* situation for projection into the future. An energy field is composed of bundles of human intentions, enthusiasms, purposes, and motivations projected from within varying nows.

Ideas are brought into "good currency" through interaction in a particular setting with others. The ideas that circulate among participants as they interact, along with ideas generated during antecedent processes, attract participation. (1995:106-107)

The energy field constitutes an arena for exchanging views on what to do regarding specific problems, and the process progresses as individuals or groups exchange interpretations of their environment and of other participants' interpretations. Precisely how policy problems are dealt with within such energy fields is, of course, up to the participants. There is no particular expectations to the use of scientific or professional knowledge, in a number of cases it might certainly be on the contrary. Such individualized problem identification might come close to a "thick description" or grounded theory (Glaser & Strauss 1967)? Probably, but it is important to emphasize that this is the perceptions of people involved in or affected by collective action, and hence their views of the problems are important. In particular, we thus avoid the problems of the policy network approach which runs the risk of linking the research to the formal interpretation of the policy problem in stead of the problems as perceived by those having to live with the consequences of public action.

We shall return to the approach below.

5.3.2. Norms and Rules.

There are many instruments available for controlling the behavior of actors (Lundquist 1987:140-168), but many are not directly relevant for institutional analysis. In this section, focus is on norms and rules, which are two sides of the same coin, namely prescriptions for human behavior.

Norms we understand as general principles for human action like "thou shalt not kill thy neighbor" as a doctrine to prevent people from behaving like animals or in a Hobbesian nightmare, or "don't be prejudiced against people from another race" as a principle facilitating human interaction in general. *Rules* are explicitly formulated prescriptions about what to do or not to do under specified circumstances, and they mostly are based on sanctions that apply if the rules are not followed. Some norms have been translated into rules⁴; the first norm above obviously is a basic element of any country's national legislation, but it is also then modified with operational exemptions so that under given circumstances, one may kill another person and not be punished. The second norm of not prejudicing has been made operational at a somewhat different level of abstraction, subsumed under e.g. the declaration of human rights, preventing employers from discriminate due to race. At the gen norm; we know that racists do exist, believing that separating the races would be better for mankind. However, few of them would kill to obtain

4 Some definitions see norms as backed up by sanctions. Those sanctions, however, are part of ordinary social control mechanisms among ordinary people. Rule sanctions are linked to an implementing mechanism to secure that the sanction is actually applied.

their purpose, so the first norm is under normal circumstances⁵ stronger than the second which is subject to interpretation in ways the first one is not.

In this framework of analysis, norms summarize something close to what (Ostrom 1990) calls attributes of the community, or culture. Norms are important for the analysis, especially in a comparative project, because they form a general background for the phenomenon under scrutiny. Norms differ among communities, regions and nations, and they set different spheres of understanding for the policy problems. Thus there will probably be different norms in an urban and a rural setting concerning involvement in the affairs of neighbors who for some reason get into trouble. Family ties are mostly stronger and generally speaking, the family is more involved in common production in rural areas. Social control is stronger, too.

Norms, then, are important elements of social control, but they belong to the more informal sides of human life. Since rules are explicit and have sanctions linked to them, those acting under the rules must be qualified to understand and follow them, or they are unfair. Rules may be categorized in several ways.

A first division categorizes rules according to substance or procedure. If the rule concerns *substance*, some material measures are used to indicate a desired output or outcome. *Output* measures are the easiest to specify: in environmental protection, for instance, the quantity of carbon-dioxide emerging from each smokestack may be specified; in fishery regulation the amounts of specified types of fish to be caught by each fishing boat can be prescribed. These measures often are called *standards*. They may be expressed as absolutes, maxima or minima, depending on the purpose of the rule. *Outcome* measures concern the material end-state of some object. In environmental protection, one may specify a maximum allowable amount of carbon-dioxide emission within a particular geographic area ("a bubble"), in fishery one may specify a minimum density of certain types of fish to be found within an area. Outcome measures are difficult to use because of the need to specify action and then communicate it if the condition is met; in certain metropolitan areas, a smog-alarm may immediately affect the right of citizens to drive, based e.g. on certain characteristics on their license plate (e.g. odd/even numbers) - but one must make sure that those citizens are given fair warning. The difficulties are also partly due to limited knowledge about the causal links between human behavior and the actual state of the environment; intervention based on a certain condition may be seen as arbitrary.

If the rule concerns *procedure*, actors are told with whom to communicate (or not communicate), possibly with specification of frequency and

5 Normal circumstances do not prevail in former Yugoslavia and the former Soviet Union.

duration, agenda themes, level of participation or attendance for the procedure to be valid, and mechanisms for resolving disputes among the participants. This is an alternative to formulating standards, under the presumption that if actors that have interests in the matter are mandated to interact regarding the subject, they will be able to discuss the matter and sort out the differences; if no compromise can be reached, the rules on the procedure indicate how to decide - by vote, by mediation, by resort to a higher level of administration etc.

In terms of contents and desired action, a rule system often states only the first one concedes the actor some discretion since it opens up an opportunity but does not mandate the actor to do anything. The other two types leaves the actor with no particular degree of choice: once the preconditions are met, the actor either must or must not act as specified. Requirements and prohibitions are normally followed by sanctions to make the desired behavior more probable.

Rules are formulated in a language, and since few languages are capable of describing the world in perfectly unambiguous terms, they are subject to interpretation before they are applied. The ambiguity may be put into the rules by purpose in order to make adaption to local conditions possible, or in order to make room for changes in interpretation over time. It may also be due to lack of knowledge as to causal links between the factors covered by the rules; often ambiguous rules are followed by procedural rules to make sure that the right actors are involved before the decisions are made. Ambiguity also means that there may be disagreements among individuals in their particular interpretations of the rule, and ultimately, there might be a need for a body without substantial interest in the matter to resolve disputes between parties; this may be done by mediation or by a ruling (as in a court).

Norms and rules determine the basic code of conduct for individuals within an institutional setting. Analysis of institutions is often based on non-cooperative game theory (Ostrom, Gardner & Walker 1994) where the actors do not exchange points of view during the game. This is only applicable to some rather restricted situations, and the Ostrom *et al.* call for more dynamic analysis and the incorporation of dynamic factors making interaction between the actors possible as the situation develops. The need for development is particularly pertinent in cases where the number of participants is limited, and consequences of action fairly visible to other actors. In large-scale problematics like ocean fishery, the assumption that people behave like the "rational actor" is fairly valid. There are no possibilities to interact with other actors, and consequently, we see over-fishing and fishermen breaking rules (quotas) whenever possible. The text-book

reaction is defection since there are no ties to other individuals, and the perceived gain from following the rules is negligible. The result is often detrimental to the common resource, so the tragedy of the commons may occur, but it *may* also be avoided if the institutional design follows recommendations by Ostrom (1990).

In small-scale problematics like fishing in a lake area, conditions may be altered dramatically. As indicated above, rules are not unambiguous, and actors need to discuss their application or even adaption as the processes unfold, and this is what they do as soon as they perceive the situation as negotiable. This is where the analytic principles of non-cooperative games become less realistic. People have face-to-face relations, they have knowledge about the other individuals that goes beyond the particular issue at hand, they know that they can discuss problems with other people, as the problems become visible.

Fox & Miller (1995:120-127) discuss how to approach such situations where "real" people interact to form a policy - an *authentic discourse*. They require four conditions to be fulfilled to obtain what they see as the ideal policy discourse. First, trust is required, and this presupposes that speakers at least strive for sincerely; a purely tactical game is out of bounds. Second, the intentions of the participants must regard a relevant problematic, or a policy problem, and it should be addressed from a higher level of abstraction than the one of a utility-maximizing individual; some degree of a public purpose should be involved. Third, the discourse is an exchange of views, so participants must be willing to listen to other points of view. Finally, solutions offered must contribute substantively to the policy problem or to the highlighting of how the problem would be understood, or as a special understanding of the situation the negotiation takes place in. In other words, the discourse must be enriched, the individual taking part is not supposed to participate just to be patronizing the group.

These demands may sound a bit unrealistic. But they are not a far cry from what is known among skilled negotiators and participants in settings where the status of the participants is fairly equal, as in university faculty discussions. Insincere, circumventing, self-aggrandizing monologues are not readily accepted in such groups. This is not to say that every oral intervention is a clearly formulated substantial bid for a solution that benefits everyone equally, but it is expected that participants during the exchange of points of view do add to the common understanding of the group regarding the policy problem. There is no need to strive for something like a scientific understanding of the problem. As Lindblom has stressed repeatedly, the interaction of interested individuals may produce as relevant information as may a research investigation.

5.3.3. *Positions and Networks*

The indispensable norm behind a bottom-up analysis is that the importance of formal organization in implementation - and in any other activity, for that matter - is to be regarded as a hypothesis. Thus, the organization vested with the formal responsibility for implementation *may* play the role implied by statute, but this is not to be regarded as a fact until that fact has been established by empirical research. One way of doing this is to use a "snowballing" technique (Hjern & Hull 1987) where a presumed actor is identified, interviewed as to his actual role in a defined problem field, and asked about his contacts with other actors in fulfilling that role. Those thus identified then are interviewed, and likewise asked for contact persons. Soon a network of people will unfold, and the implementation structure thus identified empirically from below.

A crucial question, then, is how to identify the first individual to be interviewed. This is done on the basis of the researcher's conceptualization of the policy problem and a first educated guess about what actors may be active in the last links of a policy implementation chain, if such can be identified. Such an actor has a position in an implementation network. Furthermore, one may structure the envisaged local policy processes in terms of e.g. planning, resource mobilization, effectuation and evaluation (Hjern & Hull 1987) - or any other sequence that fits the processes studied⁶.

Positions are much like roles: a cluster of expectations about relevant behavior in specified situations. Given that we want to analyze dynamic social processes, it is understood that positions are socially constructed and reconstructed over time as people interact, giving (or amending) any position its concrete contents and thereby reinforcing or weakening the first expectations.

Some positions - like the mayor, a section chief or any other member of a formal organization - are based on formal rules. Those rules mostly are on paper and constitute some of the most important elements of the formal organization, visualized by the organization chart and often reinforced by the formal behavior of the members of the organization. Subordinates pay tribute to the supervisor, and supervisors (hopefully) show respect for the work done by the employees. But there are also informal rules linked to the position, and these rules differ by organization. They are the sum of the experiences of the members of the organization over time.

⁶ Kettunen (1994) uses a process of: defining problems, priority setting, resource mobilization, and evaluation. The interviewer then asks questions relating to these process elements, which may have different networks in the locality.

In institutional analysis, the positions studied may be found in an organization, but they must not necessarily, and our interest may only be marginal as to their particular role within that organization. On the contrary, the importance of the formal organization is constantly being questioned by institutional analysts. Positions will somehow be interlinked, but often the links will be found across formal organizational boundaries. This is where the concept of network becomes important. Basically, the network is the sum of the communication links between positions, and together with them, it configures the initiation if one wants to make the equivalent of an organizational chart⁷.

The world as we see it is populated by individuals with whom we interact, not with roles. The objects we can do research in are composed of *body-subjects* (Fox & Miller 1995:79-84). The researchers tend to disregard the fact that when they interview individuals about other individuals, these are real persons which the interviewed person reflects over as such, not solely as holders of positions - few (even social scientists) are able to think in the abstract about roles, but every one can comment on individual A and his particular qualities. These are not only the actual performance in terms of decisions and exchanges of points of view, but also the signals that are not directly part of the spoken (or written) language; class, gender, personality may be important in the concrete situations, as are the locations and the time; with Giddens (1984), there is a time-space situationing which is important to grasp.

This said, it is still important to realize that individual participants may take different positions over time, depending on how the policy problems develop, and depending on changes in the expectations by participants to their own behavior and to the behavior by others. And sometimes it is difficult for other actors to accept an apparent change of principles due to a new setting. Porter (1990) introduces the concept of *structural pose* to cope with the problem he has faced in empirical research where he found that individuals with relative ease took upon them different roles, values and scopes for action in different action situations; an observation that Porter found created great difficulties in linking them to institutions which apparently were constantly shifting. Structural pose points to the fact that individuals relate to different institutions in different situations. Thus a professional may in one context follow the principles set up by his community of peers, while in other instances, as a director of a service organization, he may comply with a mandate from the political leadership, even though it may violate the rules of thumb derived from professional research

7 But, as the discussion of this framework hopefully shows, the configuration of an institution is nothing but the shape of some aspects of it, it does not equal the institution.

results. Structural pose may, for instance, be useful in implementation structure analysis where it highlights the major institutions involved in implementation and facilitates an analysis of their structures, values and personnel (Porter 1990:25).

The snowballing technique has been discussed at length in several contexts. An important question is whether this is just a technique or whether it really constitutes a norm for policy implementation. One thing is to take departure from the field workers, another is to make the assumption that the field workers are always right. Are we talking methodology and technique or is this really a (normative) theory?

Basically, this is a technique, and it has the important quality of being replicable. Any other researcher can test the validity of the positions and network by repeating the interviews. An important question is whether each and every researcher would start at the same point, but given the snowballing idea, the chances are relative great that if just one of any of the actors having a position is "hit" as a starting point, the rest of the network will be detected.

There may; however, also be norms ascribed to the implementation structure that is found. Hjern & Hull (1982) ask for *an empirical constitutionalism*, to challenge the top-down version of constitutionalism based on the involvement of formal organizations. The actual actors, then, in this perspective define the "constitution" for the policy analyzed. But how can we determine whether they are right? How do we evaluate their doings - which may be wrongdoings? The founding fathers say:

If implementation research is to fulfill its remit of empirical constitutionalism it needs to analyze the polity using organisational and methodological constructs which are agnostic to those of the formal constitution. (Hjern & Hull 1984)

This at the very least means that the constitution may be wrong. Hjern and Hull then proceed to get analytic support from Weber, by treating

actors as individually accountable for the alternative courses of action which they take. In this view, action which, in some strict sense, is unconstitutional need be lacking neither in accountability nor in subjection to democratic controls. (ibid)

This stance means that we require the actors in the implementation structure to work with a high personal moral standard. Fox & Miller (1995) have some requirements to their *authentic discourse*, discussed above, in which the actors are not far from a similar ideal. Actors must be sincere, pursue a public purpose, be attentive to other views, and contribute to the sub-

stance of the policy problem. Such actors for sure are accountable and subject to democratic controls.

In a world apparently filled with strategic and tactic behavior, not the least within public administration, these demands may seem somewhat unrealistic. The Habermasian world of free speech does not have a fertile ground within the political-realm precisely because so much is at stake in the welfare state of the late 20th century. When the political systems of democracy were established in the 18th and 19th centuries, the regimes were night watchman states with few responsibilities beyond peace, order, and establishing a system of property rights for commerce. Free speech concerning those issues was, in hindsight, after all not so difficult to establish, though as history shows, there certainly was resistance from the ruling elite of that time. But in contemporary societies there is much more at stake, viewed from the top, and hence many potential dangers even to established policies. Consequently, the top does not want to relinquish control with the organizational set, and sees dangers to the course which was set if subordinates are conceded "too much" discretion.

On the other hand, the knowledge we have from implementation research indicates that indeed, there is a large number of actors in implementation structures that do take their remit very seriously. In so far as this is the case, and in so far as there is a gap between the formal principles of the policy and the actual policy constructed by the implementation structure, standards must be set up to evaluate that policy - on the basis of the needs of the target population.

Hjern has come so far that he is willing to see the center's - in this case the Swedish state's - policies as illegitimate. This may be going too far, at least if the statement is to be interpreted as a general one. Discrepancies between the ideals of the center and the actions in the locality should be understood as signs of warning requiring closer investigation, but one should not *a priori* deem any of the parties illegitimate, nor should one transfer research results in that direction to a general theory.

5.3.4. Order and Meaning

The rationale behind the bottom-up approach is that somewhere in the process of implementing public policies, local values and/or interests intervene in order to adapt the policy principles to local circumstances which were - presumably - not possible for the policy-making center to foresee or to accommodate. What happens is action by local actors to make things otherwise, and we need to dig somewhat into how to understand such intervention.

We saw above that several theorists perceive those involved in an implementation structure as necessarily accountable individuals who may

subject themselves to democratic control - whether or not they are part of a public system, one might add. Several conceptualizations address this problematic in general terms.

At a fairly abstract level, the term of *social capital* is useful in defining consequences of collective action in the longer run. Where physical capital is the arrangement of material resources to improve flows of future income, and human capital is the knowledge and skills that humans bring to solve any problem, social capital is the arrangement of human resources to improve flows of future income (Ostrom 1995:132); it is created by individuals working with other individuals to make it possible to achieve goals they would probably not have reached to else. We may interpret "income" rather broadly into e.g. "benefits", and if we do so, we can say that people creating a social capital work to craft some sort of institution which can help solving problems in the future without every one having to start from scratch again. Robert Putnam and his colleagues (Putnam, Leonardi & Nanetti 1993) go as far as saying that over centuries, certain areas of Italy have built up capacities for collective action, and other areas have failed to do so. Whether or not they are right in those assertions is not important here, the rationale for building institutions is, however.

Social capital creates order in the interactions of people over time, and it also signifies a particular meaning to such actions within an institutional framework. It is important to realize that many such institutions have not been constructed consciously for benefiting future generations; the long-term spinoff comes whether or not it was intended to be so. When we discuss collective action bottom-up, we do, however, speak of intentions to do better, wishes to improve a policy problem, and actions that are designed to make a difference. Hence, institution building bottom-up as we want to analyze it is hardly just an accidental spinoff from daily chores. What may they have in common at the analytic level?

Some analyze meaning as a historical phenomenon.

**we .. share the ambition ... to uncover a deeper meaning in social movement.
That deeper meaning is what we mean by cognitive praxis (Eyennan &
Jamison 1991:63)**

Eyennan & Jamison understand the cognitive praxis as a kind of glue binding the members of a social movement together, and as something to be empirically reconstructed by the observer. They do this, however, by reading their history, they thus reconstruct the cognitive praxis from other sources. Our ambition is more to understand contemporary praxis, therefore we must use other methodological tools.

Paul Sabatier uses the concept of *core beliefs* (Sabatier 1986, Sabatier & Pelkey 1987) to select an advocacy coalition which in effect shares these

core values regarding desirable policy goals and instruments. This approach will secure that the group selected is manageable in number and fairly stable over time. This of course makes sense if one wants to find a group that is in agreement, but it is not enough if one wants to identify all the participants that perceive themselves as having a share in the policy problem - they may differ in values and hence compete for influence on the solutions for the policy problem. Sabatier knows this, of course, and uses the concept of policy brokers for intermediaries working to reconcile the differences between advocacy coalitions. This looks a little like a fairly standard interest organization approach, but it is not, given the alternative Sabatier is up against in the case he pursues: the agency perspective within regulatory policymaking.

Core beliefs may be used for identifying a group with a common interest. If we want to understand the intensity of the involvement of the group members, the role of *commitment* as discussed by Robertson & Tang (1995) may become important. In the organizational literature, commitment is a psychological mechanism making the individual feel an attachment to the organization, visible as an identification with the goal of the organization, involvement in actions, and loyalty to the organization. For more than a decade, this perspective has especially been developed under the heading of organizational culture. In rational choice literature, commitment is a conceptual solution to the theoretical puzzle why people cooperate though there is no direct personal incentive to do so; commitment then is an actors resolve to carry out a promise to perform in a specified fashion. But increasingly, norms have become part of the analysis as mutually reinforcing expectations among participants in collective action, forcing them from a short-term to a more long-term perspective. Both theoretical perspectives, then, use the term, but based on somewhat different assumptions, particularly regarding the incentives of the individual for being committed: individual inherent willingness to cooperate in the organizational literature, individual self-interested reasons in the public choice literature.

There is no reason why commitment may be reserved for the organizational sphere, the mechanisms that are discussed can also develop in implementation structures, although formal leadership by its very nature will probably play a minor role - bottom-uppers are nearly by definition in opposition to a formal manager who has to answer for the formal requirements of the activities. Likewise, position holders in the implementation structure may have conflicting commitments, e.g. some to their formal mother organization, some to the implementation structure and its cross-organizational colleagues.

Core values and commitment, then, may be important facets of the forces creating meaning and order for the participants in an implementation

structure or other institutional arrangements. They are fairly intangible aspects of collective action, and we should not exclude the more material side of institutional arrangements completely. The rational choice concept of *payoff* is quite useful, since the gain of any individual is easy to understand for any observer as a factor creating meaning for that actor. There is no reason to think that people engage in collective action for purely altruistic purposes, though it should not be ruled out, depending on the circumstances we want to explore. In the original setting of public choice, payoff is the relation between benefits and costs linked to particular (sets of) action. In a world of economic action, this presents the observer with no problems, everything can be measured in money terms. In the world of collective action, such unambiguous instruments of measurement are not available; they may apply to some policy problem like e.g. local economic development, but within problems of social services the measurement rod is much more complex, unless one wants to subscribe to a Becker's world of economics, applicable to any side of human interaction⁸ (Becker 1986). Payoff, therefore, within our sphere of interest, is the relation between costs and benefits in a broader sense.

5.4 Examples from Research

Below we shall exemplify from research projects using the bottom-up methodology or perspective in a variety of ways. We start out with some conceptions of the policy problem.

The most general studies deal with the organization of local government, based on the policy characteristics of different local government functions. We have some examples from US metropolitan areas and a theoretical analysis of education as a multi-layered system of decision-making.

In terms of more specific policy fields, there are two main types that have attracted bottom-uppers: those analyzing industrial and manpower policies, and those analyzing the practices of field workers within various sides of public health. These policies were among the initial testing grounds for bottom-up research, done by the research team in Wissenschaftszentrum Berlin. They have the same characteristics: they deal with some central elements of the welfare state and the mixed economy, and they have distinct inter-organizational qualities in their formal design. Therefore, they attracted researchers thinking otherwise that the received view of implementation.

Furthermore, we touch upon the role of the active citizen - as a local political entrepreneur and as a coproducer. Analysis of field workers or "street-level bureaucracy" is no new research interest (Lipsky 1980). But

8 "Indeed, I have come to the position that the economic approach is a comprehensive one that is applicable to all human behavior ..." (Becker 1986:112)

research into the practices of field workers and the interaction with the "clients" still is a fairly limited area of research, or perhaps it is not reported much on in the international literature. Maybe no wonder since the theme is highly sensible within organizations and often research reports are kept within the boundaries of the organization, strictly for purposes of management and staff.

5.4.1. *The Analysis of Public Economies*

Local government reform has been analyzed from many angles. Most, however, are based on ideas of economy of scale that lead to consolidation of districts into larger entities and from one-function to multi-function jurisdictions. The public economy approach differs.

The basic idea is that one must start out with the policy problem - or rather functions of local government - and sever the understanding of the processes of delivering the service into two discrete types of decision: providing the service and producing the service (Ostrom, Bish & Ostrom 1988:85-111). *Service provision* means a process of collective choice where it is decided what to provide, how to finance the service and the quality and quantity standards that may apply to the service. *Service production* means to actually produce the service within the parameters determined by the service provider. Within local government, this understanding means that the body responsible - the commune, the county etc. - for the service must make the decisions as to provision, but it does not necessarily have to produce the service. Any organization able to fulfill the demands by the provider can take care of the service production.

This does not mean, as some seem to think, that the service production must be provided by private organizations. Research shows, however, that there is no guarantee that private producers are always cheaper, the real issue is what type of contractual relationship there is between provider and producer (Ostrom, Bish & Ostrom 1988:138-187). The production can be in-house, by private contract, by inter-governmental agreement. It can be arranged by franchise, by voucher, by voluntary organizations, by joint production between organizations. There is no *a priori* determination of what works best, it is up to the producers to prove what economy of scale that is right for the particular service. Service production is a question of price and trust - a demand that the service as specified by the provider be produced at the lowest costs, but also that the service will actually be produced, once the contract is won.

The production of service, then, may be organized in many ways, with a spatial arrangement reflecting the most efficient production, and consequently, many different spatial arrangements may be made for service

production. The provision side, on the other hand, may then be organized so that it reflects the democratic side of local government best. In other words, how to organize for maximizing the responsiveness to the ideas and problems of any locality.

This way of thinking, then, is bottom-up in both determining service production arrangements and service provision. It is the local problems of production and provision that come to dominate the processes. Two large studies have been carried out by the Advisory Commission on Intergovernmental Affairs (ACIR) to substantiate pros and cons of a fragmented metropolitan area: one of St. Louis (ACIR 1988), one of Pittsburgh (ACIR 1992). They were based on an initial theoretical study, a rather surprising venture by a public commission (ACIR 1987).

The research techniques used to assess the organizational patterns are not bottom-up in the sense of the other studies reported on below - but the general methodology certainly is. By and large, the techniques are to set up statistical measures of efficiency (internally in departments etc.) in effectiveness in producing the right service for the citizens of the jurisdictions, and in equity in the distribution of taxes. In addition, the organizational patterns of cooperation between the providers, between the producers and between providers and producers, were mapped out.

We shall quote some conclusions from the Pittsburgh study (ACIR 1992:81-88). First of all, the study denies the popular belief that fragmented governmental arrangements cannot be coordinated. Coordination is ensured by, first, the county providing a number of countywide services and services that require a large population base but are separate from other services that normally are grouped together (e.g. certain police services). Furthermore, there is widespread cooperation between governmental entities to enhance information dissemination between local governments and to help organize common projects. There is relatively little contracting out and instead cooperative measures between localities, helped by a strong public entrepreneurship. The main problem of the area is fiscal equality, this, however is not so much due to the fragmentation of local government as to lack of will at higher levels of government to equalize incomes of lower levels.

The principles of the public economy also was applied to a discussion of how to organize for education (Davis & Ostrom 1991). Behind the analysis was a public American debate about public or private education as two alternatives - hierarchy or market? Davis & Ostrom show that analyzing

9 This is not a deep-going analysis of the study which is complex in its application of many of the statistical measures. Consequently, it requires knowledge of some local factors to do a critical appraisal.

in terms of such two alternatives is neither fruitful nor sensible, and it does not square with the reality in school systems. They identify four existing types of educational system¹⁰ and add a voucher system and conclude about these that none is perfect, all have flaws in some direction. There is no such thing as a perfect institutional arrangement. Of these, however, a multi-layered system has the best prospects because it is the best to reflect the behavioral diversities in the production and particularly in the provision side of education. That is, as soon as we are speaking of needs that go beyond the running of any particular school, we should go beyond the localized system in order to create enough room for diversity and thereby equality for local minorities.

These studies, then, are helpful in illustrating the bottom-up perspective that organization is something that should adapt to situational and policy circumstances rather than one general organizational form should be applied across all problem areas and specific problems then solved by the managerial top. These analyses stress the role of active citizens in making the decisions (principles) of provision, and then look for organizational solutions to their policy specifications.

5.4.2. Business Growth Policies

The first study (Hjern & Hull 1987, summarized in Hjern 1987) is more or less the classic reference of all bottom-uppers searching for an implementation structure. Using the ideas of network analysis and extending it to larger areas, the authors mapped out the elite structure linked to the policy problem of making small firms grow. There are many programs that have more or less such an aim, and therefore one had to analyze across programs if one would grasp what actually happened in four West European countries included in the study.

In analytical terms, the core of the analysis was the creation of a number of implementation functions relating to how to understand the policy problem, how to make priorities among alternative ways to go, how to create resources for the strategy and how to evaluate the results. The actors of firms were asked to identify their contact persons related to the three first of those functions, which of course had to be specified in the language of the firm rather than at the above general conceptual level. Individuals so identified were asked about their role and further contact persons, and thus step by step this "snowballing" method uncovered the individuals involved in making small firms grow - the "assistance structure" during the last three years.

10 A Large-scale public district system regulated by the state; a purely private system; a small-scale system of school districts, and a multi-tiered public economy system.

One main result of the project was the realization that firms use programs because they are there and not because they fit their problems particularly well. The role of the firms, their brokers and the implementation officers of public programs than was to adapt particular programs to local problems, nearly no matter what the formal goals of the programs were.

An interesting result is that in West Germany, only one area out of four actually had an implementation structure related to making small firms grow. Many programs addressed the problems, but only had effect vis-a-vis the growth of small firms in one site, the city of Borken¹¹. The authors conclude that if a top-down approach had been used, there would have been no such result, rather a finding that in Borken, there was bad execution of the goals of the specific programs under scrutiny since they did not operate the way the program initiators had planned them to do.

Hanberger (1992) has analyzed some Swedish attempts to make local business more international in its outlooks and production strategies, the analysis included interventions from public agencies. The research strategy followed that of Hjern & Hull (1987) by systematically choosing actors in 100 business firms and 5 local governments and then - by the "snowballing method" - taking departure from the contact network of the responsible actors of those organizations in regard to the policy problem as those individuals perceived it. By this inductive process, Hanberger mapped the network related to the task of creating a relationship to the environment to enhance the trade of the firm - this he labeled "local business environment"; he especially was concerned with the international trade pattern. Contrary to the received view that local business environment is, by and large, linked to the area of a (Swedish) commune, he shows that the administrative divisions do not make sense for many business firms; their contact network goes beyond and some times does not even include the business strategy office of the commune, especially not if the firm is not located in the administrative center town of the commune.

Many Swedish communes seem to have followed a strategy of developing an international strategy for the commune. They involve themselves in analyzing own resources and linking local businesses international environments. Hanberger's thesis is that such a strategy is insufficient Business firms themselves do not restrict their contact network to the commune, but use those other actors that seem relevant for their strategies, irrespective of physical location. But the firms value a good local business network environment (Hanberger 1992:33) whereas there is less indication that they value the international strategy of their commune highly. Communes there-

11 Definitions are important - actors did have an influence e.g. on investment in other cities, but since the authors demand a measurable influence on *employment* as an indication of growth, those actors did not satisfy the research criteria.

fore should do more to develop a local networking policy 12.

The methodological starting point is important for the results. In terms of a confrontation with a top-down analysis, Hanberger (1992:86-87) has shown that the statistics of the Swedish Government would have misled the analyst if he started out with such an official source for selecting cases. 15 per cent of the firms he analyzed did not show in the files of business firms of the Statistical Bureau, and of those that were included some indicated that they did export, but this information was not conveyed by the Statistical Bureau.

At a general level of abstraction, Benny Hjern has a reasoning similar to Hanberger's. In a policy document to the Nordic Committee of Civil Servants for Regional Development (NARP) he argues that if one wants to develop the border regions of the Nordic countries, one must start out with a localized understanding of a strategy for particular projects, and formal entities confound rather than help such a strategy. They are not geared for project management, and certainly not across formal boundaries, a strong campaign for learning to deregulate is required (Hjern 1989).

All three studies, then, are examples of the policy problem being analyzed in a radically different way. The starting point from the bottom-up redefines the whole area of research: what are the needs of the businesses wanting development in general or even international development of their market? Certainly one can expect some differences from formal public program goals. And if one goes beyond firms as such, what are the needs of a population living in an area where formal borders cut through their economic links? According to Hjem, there is a serious mismatch.

5.4.3. Occupational and Environmental Health

Bostedt (1991) did an analysis of the implementation of occupational health organization in three Swedish municipalities. When interviewed about the role of the formal organization, employees found that it was not well suited for solving complex problems like fresh air, serious physical harm and psychological problems. Bostedt then defined an implementation structure based on four functions - definition of needs and demands for action, priority-setting between demands, mobilization of resources, and evaluation of the interventions - and. Less critical tasks like noise from machinery were solved by the formal rules, but the employees did not take a strong interest in those.

12 Here, a comment from Hanberger on the fact that the firms' definition of local differ would have been pertinent - if the network transcends the area of the commune, how is the commune then to understand local?

The actual implementation structures, then, were three. A number of shop floor employees took care of small-scale plant problems. More complex tooling problems and psycho-social problems were shoved higher up the hierarchy, and large-scale problems were pushed to the top of the organization, and external agencies got involved. These three implementation structures did use part(s) of the formal occupational health organization, but the formal structures were not decisive for the outcome of the processes. Bostedt does not attempt to check whether these implementation structures do the job better than plants where the formal organization works as scheduled. He does, however, indicate that the degree of success for the implementation structure in the organization depends on ability to adapt, flexibility in solutions, and some ability to act autonomously vis-a-vis the formal organization. In addition, the complexity of the problems at hand play a role.

Kettunen (1994) did an analysis of the implementation of environmental health in three Finnish municipalities, taking departure from the perceptions of the health inspectors and going on to the actors they mentioned as participants within four problem fields - zoning as means for a clean environment within the municipal area, clean water, control of food production and sale, and protection against environmental accidents (e.g. from transport of hazardous waste). Only those identified in the first round were interviewed in order to keep the number at a manageable level, i.e. no extensive snowballing method was used.

The author reflects on the special advantages of the bottom-up methodology versus the top-down approach:

... the case might not be quite the same.... There are reasons to presume that a top-down oriented description would be narrower, limiting itself to the legally structured formulation of goals and measures. The starting point would lead to the conclusion that implementation of environmental health care works badly because the legal sanctions are rarely used. (Kettunen 1994:182-183)

Since the conclusion of the bottom-up cases is that the purpose is reached by local negotiation, first with shop-owners regarding individual cases, and second with other health inspectors in the region to set "reasonable" standards (Kettunen 1994:124-125), the method for analysis certainly did matter.

Kettunen did his cases by identifying three steps in the local policy-process related to environmental health, and hence risk for individuals in the locality: Identifying a policy problem, assessing possible consequences of the problem, and solving the adverse consequences thus identified, if any

(Kettunen 1994:67-68). In most cases, the problem identification took place as a mix of using nationally set standards for environmental hazards and a local procedure for applying those standards to e.g. water quality or food processing. The assessment also to some degree was a question of using generally recognized laboratory methods and standards, but precisely when and how to pick samples is decided locally, according to e.g. special local features of risk; thus surface water must be assessed more often than well water for drinking purposes. Finally the solution of minimizing risks is very much up to local initiatives; typically, as indicated above, problems were negotiated rather than brought under disciplinary action.

So the value of both these studies for bottom-up research lies in their application of the policy problem within formal organizations. The limitations of both studies lie in the fact that the starting point is the formal actors; they both try to overcome the difficulties by redefining the policy processes taking place in relation to specific problems that arise in the daily procedures. The studies then show that there is quite some variation in the actor network developing within some problem fields, whereas in others it is by and large the same. In Kettunen's case, variance indicates that local implementors follow specific strategies to cope with issues, not that they deviate from an implementation accountability (Kettunen 1994:180).

5.4.4. Health Priority-setting for the Elderly

In Denmark, care for the elderly is divided between several public and semi-public organizations. *Hospitals* are public, run by the county councils. *GPs* and *medical specialists* are formally private, but practically all their services are paid for by the national health system, administered by the communes and counties. *Homes for the elderly* are run by communes or by private organizations having contracts with the communes. The communes run *home care* for those elderly that are still in their homes, but having difficulties in managing certain facets of their daily needs.

Some of the hospitals have geriatric departments taking care of those of the elderly who are hospitalized for causes that are not clearly to be treated by other departments (like surgery). Furthermore, a number of elderly are temporarily in such departments because there is not adequate care available in their home commune. Typically there is no vacancy in a home for the elderly.

Using the three levels of action by (Kiser & Ostrom 1982), one can distinguish between a constitutional level comprised by counties and communes setting the general priorities by budgeting and physical investments¹³; a collective choice level comprised by hospital and home care

13 Furthermore, one must recognize the general parameters set by national legislation.

managements, and a operational level comprised by field workers like doctors (GPs, hospital doctors), nurses with various specializations, and home care personnel. One may find more than 10 categories of individuals - politicians, leading staff and field workers - involved in those processes, plus the elderly themselves. No research has been done in how this "system" actually works as an implementation network.

A bottom-up strategy aiming at analyzing the ways priorities are set for those elderly regarding care must take departure from the policy problem as seen by the elderly. The research team of three involved in the project - a Research Nurse, a MD PhD-student and an Administrative Science PhD-student - developed a methodology to avoid a purely arbitrary process of selection (Kjerholt, Himmelstrup & Pedersen 1995). Using a county hospital as starting point, they have chosen three communes of that area and decided to pick about 50 elderly (more than 75 years old) individuals living in those communes from three incidents: some who had been hospitalized, some who have had a falling accident in the home, and some who have just been admitted to a home for the elderly 14. At the initial encounter, the elderly had a physical examination, and those individuals who have been involved in the treatment were interviewed. Participatory observation took place when applicable. Further contacts were made after one month and again after further two months, and everybody who had been involved directly and at upper or other levels of management were interviewed. In addition, the organizations involved - the hospital departments and the home care departments - were subject to an organizational analysis, and upper level management will be analyzed later.

Thus up to about 50 implementation structures will be mapped out to make the basis for a comparative analysis of how priorities are constructed by the practices of all those involved in the processes, on the basis of medically comparable events. The theoretical expectations are that in spite of the medically similar problems, the actual implementation structure will vary due to institutional factors: who gets involved, what norms are applied, how does a network evolve, and how does a sense of meaning develop from the processes of interaction. Furthermore, there is a need to set the "coping strategies" of street-level bureaucrats into a larger perspective, an institutional analysis should be well suited for such a purpose.

5.4.5. The Political Entrepreneur

14 Individuals with afasy, very poor hearing abilities and strongly dement are excluded since they do not satisfy the research demand of interviewing individuals capable of strategic behavior. Furthermore, relatives finding the research unethic may block further interviews.

In the analysis of collective action, it may be argued that there is a special need for understanding the role of the public entrepreneur. This certainly is a stance among methodological individualists arguing that while the private sector entrepreneur is likely to work alone and refraining from joining forces with others,

a public sector entrepreneur is much more likely to need a collective *group* foundation to survive and prosper in the political marketplace. (Schneider & Teske 1992:741)

Therefore, a public sector entrepreneur must have skills in mobilizing other people and so to say mobilize a winning coalition. Furthermore, they are likely to deal with fairly large-scale and formal organizations.

What characterizes such an understanding of a public policy entrepreneur? Schneider & Teske (1992) use two substitutes for the profit of the private sector entrepreneur. One is the ability to restrict information dissemination for own purposes, this may, however, be quite difficult due to regulations prohibiting such behavior within the public sphere. Another is the possibility to bar others - contestants - from entering the "political market", often by controlling the political organization forming the platform for the entrepreneurship.

An understanding of success, then, requires an understanding of how these entrepreneurs control information and access to resource platforms. We may here leave the idea that the entrepreneur is linked to a (perfect) competitive market in the localities. In stead, we can imagine individuals and groups competing for getting a stake of the public power. Such an understanding of competition does not only apply to formal and large organizations as above. In the countries where fragmentation takes place at the local level, local entrepreneurs increasingly are seen entering the "marketplace" for collective action based on specific means of support from the public sector. Hulgaard (1995) has examples of such entrepreneurs using special public programs for local purposes and at the same time making a sort of career out of this special opportunity.

The special value of the study above is the way it treats the model of the actor. How does one understand the motivations and perceptions by the public entrepreneur, what incentives do they have and how do they set up strategies for action?

5.4.6. Coproduction

Coproduction means that the client of a service takes part in its implementation. So citizens may carry their trash cans from the back yard to the curb of the road for pick-up (in stead of having the collectors walk to all the back

yards), parents may take actively part in learning their children how to organize themselves for school work, residents of a neighborhood organize for crime watch among themselves, etc.

Two of those examples are clearly money-savers - citizens individually do only a little more than usually, but the aggregate savings are high in trash collection and crime fighting. But two of the examples also have other facets - parents acknowledging the importance of school work as part of upbringing children to become better organized in more aspects, and crime watchers make people feel in new ways for their neighborhood and add to a collective pride in their area. Even carrying your own trash may make you think a little more about how you bag it and thus ease the final task for the pick-up.

In one sense, then, coproduction is a practical arrangement saving the public sector some expenses, on another it has wider consequences. People become aware of facets of their daily life they did not really think about before. This is a break with the tradition of modernity to professionalize all services. Professionals create passive clients, coproduction creates active individuals, much more aware of the details and consequences of the service they participate in creating. The gains go beyond the quality of the neighborhood. By participating, people get new understandings of how to cooperate with their local government (Brudney 1989:515), something quite a few of them possibly did not really value before where it was more likely seen as a bureaucratic obstacle to individual projects. Furthermore, the responsiveness of the authorities may be enhanced by such better contact to the citizens.

Thus there are several ways in which understanding coproduction must necessarily be based on a bottom-up approach. Although one might say that the daily running of coproduction does not differ much from the way professionals are managed (Powers & Thompson 1994), citizen initiative simply is necessary to make it work. This also indicates some of the limitations of the model. Certain services demand a technical expertise that one cannot expect ordinary citizens to have, and even if they had, the resentment among professionals because their job security is jeopardized might be too strong to make it worth the effort (Brudney 1989:520-21). Furthermore, there may be special human values connected to certain services which one cannot expect any one to share and apply equally to any task. This especially becomes clear in tasks to help the destitute and certain minorities, research on voluntary organizations has shown that recruiting volunteers for those groups is difficult.

The coproduction analyses touch upon the organizational sides, but certainly also on the problems of order and meaning within public policies organized so that the involvement of a variety of types of people makes a difference.

6 CONCLUSION

This concluding chapter sums up the line of argumentation and points to needs for further analysis.

6.1. Postmodernity and Policy Analysis

A basic contention of this book is that we - living in the Western developed democracies - are on our way to another form of society, which we for lack of better words may call the postmodern society. The only thing that is sure is that this form of society does not look like the modern society in some important aspects. When we know more about what it then is, we may be able to find a better name for it.

The *modern* society - which coexists with the postmodern - is characterized by rationalization, the systematic use of reason. Its main forms are industrialization and bureaucratization - where rational organizational measures are used to perfection. There is a high degree of specialization among units of the plant or the offices of a large private or public organization, and there also is specialization among plants and large organizations. The resulting high degree of differentiation raises demands for some degree of coordination which is mainly found as attempts at centralization of powers to the top of the organizations or the peak associations and political systems in search of controlling the activities of the modern society. There finally is a high degree of formalization of decision-making processes, demanding standardized and formal communication which can be stored for future use and reference. The general aim, then, of these processes is to create coherence and integration of a highly sophisticated system of decision-making which has in it some potential for differentiation.

In the *postmodern* society many have given up to coordinate in the fashion of the modern society. Consequently, there is a high degree of fragmentation. There is a high degree of individualism, based on an unprecedented system of social security rooted in the modern society. The nation state becomes of less and less importance in politics, in the economy and in cultural affairs, international regimes take over where national boundaries limited exchange in the modern society. We see an organizational segrega-

tion with many types of interests involved in decision-making across formal organizational boundaries, and a decentralization of powers to production units and local systems of governance. Large corporate structures lose in importance, localism blossoms.

The trends towards postmodernity have serious consequences for policy analysis. In the modern society, the centralized systems of control and goal-setting processes bound to the top executives legitimized analyses of outputs and outcomes of political interventions in society from that perspective, top-down. But the decentralized and fragmented society of postmodernity defies such clear and top-heavy understanding of policy aims and outcomes. There is larger differentiation and thus fewer generally applicable standards. There is room for local maneuver and adaption. Iriere are legitimate differences at the local level which must be taken into account.

This development has consequences for the top-down approach to policy analysis. It may never have been the best way of analyzing policy implementation, but the development anyway creates problems for analysis of that sort within more and more policy fields. The model of evaluation based on generalized goals and command-control implementation does not fit any more. We need models that take diversity into account, that go across formal organizational boundaries, that develop an understanding for problematics of people as "clients" and field workers. Constructing such models requires better understanding of processes rather than stability, of structuration rather than structure.

6.2. The Needs for Collective Action

One might think that collective action comes out of fashion in the postmodern society where individuality reigns. But this is hardly so. On the contrary, people need to develop new ways of collective action, away from the centralized system of new corporatism, and within a framework that is within the communicative reach for people in the locality. The trends towards fragmentation create problems for those who do not have the material resources to solve problems of service individually. There still is a perceived need for coordinated services, but the solutions offered by public organizations increasingly are challenged.

I understand collective action as an activity involving more than one individual to achieve a common goal, without competing or dominating one another. The more fragmented the world becomes, the more there will be a need for many people to act collectively for mutual benefit. Such collective action is a sign of new ways of coordinating activities and pool resources in an individualized environment. The new social movements have by some theorists been understood as *the* indication of a postmodern society. I think

that more forms should be recognized as postmodern. One might take the development of implementation analysis as a signpost. Increasingly, research has shown that the modern organization does not fulfill its obligations, and that people cooperate in other ways in order to solve the problems of firms and individuals out there. This should be recognized as special forms of collective action - within new implementation structures, if you will.

Some theories have had and still have problems with conceptualizing such behavior. Most theories based on methodological individualism have as a starting point the axiom that individuals pursue individual goals only, and hence collective action remains a puzzle. But some researchers active in developing theories of institutional development have developed models that make such behavior feasible due to particular institutional arrangements. Still, motivations are somewhat blurred since preferences remain exogenous to the model. Methodological collectivists, on the other hand, make so many factors endogenous that it is difficult to grasp how changes come about; actors tend to disappear in broad understandings of processes of mediation. I suggest an approach somewhere in between those two extremes, namely the strategic actor using institutional arrangements as both constraints and assets for future action, working actively to change guards into servants. At the same time, however, they act by constantly reformulating their strategies and hence preferences into what is feasible rather than keeping an unreachable goal. This is what *actor-cum-institution* is about.

It is true that new technologies make distance a troubled concept. Information - or rather data - is available regardless of location through the Internet and satellite communication by TV. But regarding collective action, this only changes the level of informed action. Only very special forms of collective action can be made by electronic means, among which vociferous protest via e-mail is one. But active communication requires moderators, as soon as we get beyond very few individuals interacting, and hence some sort of organization is required. And there are several steps from communicating about collective problems to staging collective action. The latter mostly require some degree of personal presence - or, in a virtual organization, the moderators working to coordinate. Even on the Internet the moderator is felt to be an individual by the participants, even though there is no physical contact. Therefore, the body-subject still is of great importance both in a narrow and a broad sense.

6.3. Another State

If anything, state theory is linked to the modern society. A powerful agent, a democratic conception from the period of adolescence - towards maturity,

though - of the modern state, a bureaucratic apparatus mirroring the rationalization of society, a staff educated at the institutions of higher learning which severed their ties to religion, etc.

In the postmodern society, the state changes into something more fragmented, less unified, with its autonomy under serious attack, in short a Swiss cheese rather than an elephant. But note that it is the form of the state that is changing. The core, *the public power*, has not changed much, if at all. The public power distinguishes the state from all other phenomena in the society by offering and sustaining the legitimate right to regulate all relations between citizens, to extract resources and redistribute them among interests and to back up any intervention by use of force. This right has not changed. Changes relate to the locus or rather loci of this power. Organizationally, the fragmentation has taken place, from a hierarchy of powers to many networks, nationally and internationally, with the number of actors changing over time as situations and problem fields change.

Nationally, decentralization to localities has taken place, empowering groups of citizens in ways they have never seen before in relation to their status as users of public services. Internationally, new regimes of regulation come about as (Western) states give up their sovereignty in favor of supranational norms for behavior. This in turn empowers citizens even more, particularly ethnic minorities get recognition and possibilities to resort to bodies of appeal which formerly did not exist'

These new institutional arrangements, based on public powers, are at the center of the topic of this book. The public power is squarely rooted in some constitution, but the number of constitutions has increased. The roots of the public power are legal constructs, but the way daily practices implementing the public power organize for action go beyond the normal conceptualizations of lawyers. The realization of the public power is done by fragmented institutional arrangements whose configurations may change over time, and the precise forms of implementation are currently negotiated in order to make adaptation to new situations possible. There is a continuing struggle among interests in the society to become a part of the public power, to get legitimation and material resources.

This of course is a challenge for existing public organizations which face increasingly differentiated demands from citizens, new forms of interaction as much out of the organization as within, challenges to management which increasingly finds that authority is something which is negotiable and may even be reversed by use of external links.

1 Much to their consternation, Danish judges have had to change their legal conceptions of impartiality in court several times due to verdicts from the Court of Human Rights in Strasbourg.

6.4. Institutional Arrangements Bottom-up

In research, institutions suffer from the division between methodological individualists and collectivists in the sense that their rigid conceptions tend to dig trenches in stead of building bridges. But there are some bridge contractors.

The gist of the argument is to understand the dynamics of institutions in stead of analyzing institutional rules constraining actors or institutional cultures condoning specific traits of action. A focus on dynamics cannot leave out the particular actors instigating and mediating changes in behavior, triggering reactions from other actors and thus participating in new modes of handling situations calling for action.

Analyzing such processes is demanding, and there is no fool-proof research design, nor is there one that overshadows all other approaches. It is clear, however, that many of the methodologies linked to the concepts of the modern society simply will not do. The traditional categories of class, gender, age, and occupation are no more giving meaning to the postmodern society. Organizational forms are changing all the time and therefore are not fit as invariant and independent variables. The analysis must grasp differences according to various policy problems, and various behavioral norms and institutional rules implemented by varying numbers of actors in different roles and interrelations. Precisely being part of such a development is a driving force for participants in that their understanding of their own and other actors' situation depend on the institutional processes. Meaning is created through being a part, it is not something being handed down by a superior authority or induced by peer pressure.

Activity patterns, conceptualized as communication between body-subjects, are what the researcher must strive to lay bare as processes of institutional action. But in order to understand the creation of meaning, such analysis must be carried out bottom-up. First, the perspective from the top often simply does not cover the understanding among field workers and users of services. Second, the view from the top may be seriously flawed because the actual institutional processes are not visible and hence are not understood from that outlook. Third, and consequently, actual institutional processes in the field may change so much and so rapidly that a top-down perspective is out of date.

This calls for a bottom-up analysis, where departure is taken from the experience in the field. This will capture most of the problems mentioned above. And if those problems are not there, no harm is done, because in that case the top-down perspective will anyway be fulfilled, since there is no discrepancy. Therefore, a bottom-up analysis is safe to catch what is actually going on - which may be according to the rules from the top - while a top-down analysis runs the risk of only finding the top of the iceberg.

The examples of chapter 5 show a variety of ways to do such analysis. The absolutely most critical issue is how the researcher approaches the policy problem - this is where the scope of the whole analysis is determined. Some do it by digging into the "technologies" of the policy problem, first of all how various actors create the actual policy by more or less coordinated action. Others prefer to analyze the processes (of the organization) as some of the main actors see them and then discriminate between them to find the most crucial cases for a bottom-up analysis. The networking method shows how interaction patterns are set up, and concepts like coproduction are helpful in constructing an understanding of the meaning participants ascribe to being an active part of problem solving.

6.5. Normative Issues

A bottom-up analysis is a methodological invention. It does not prescribe a particular stance on part of the researcher, but it does require a certain ability to extract ways of thinking that are quite remote from the values of the investigator.

Implementation researchers are likely to face many activities that do not correspond to the received view of how things ought to take place. This calls for caution and a need to respect the right of people to being and doing otherwise. But there must be limits to what the observer should accept. If one does analysis of a remote and small community, chances are high that the values of the majority there do not correspond with those of the observer, coming mostly from a city environment which follows when one is employed by a university or research institution. The researcher then must learn to report on activities and to understand what is being done despite of such a distance in values and ideas of the state of the world.

This means that to some degree, one must apply the principle of empirical constitutionalism (Hjern & Hull 1982). But norms are what they are - we cannot escape them. Therefore, the researcher must beforehand make up his mind what will be acceptable to the eye and soul when empirical research is being carried out. If those individual norms are being surpassed out there, one must refrain from further analysis and reconsider the choice of bottom-up analysis as a methodological tool.

Another aspect should be made clear. Bottom-up analysis as advocated here is a methodological tool and as an interesting research perspective. But it does not mean that everything in the world should be understood bottom-up. Nor does it mean that e.g. policy advice should necessarily have that perspective. It is one perspective among many. It makes sense as a methodological choice, as described above, but it does not always make sense as a policy prescription. For instance, a number of problems which

require swift reaction cannot be dealt with from the bottom, unless the adequate time is available, which it is not when the demand is "swift". Nor can the location of a major infrastructure like a bridge or the location of polluting industry be dealt with from the bottom; it is safe to predict that any locals will advocate for the location of that structure - but elsewhere. NIMBY (Not In My Back Yard, a well known stance from locals attending town meetings on the location of roads, institutions for the insane, refugee centers etc.) is a well-known defense mechanism, it is legitimate to have it from an individual perspective, but it is also legitimate for a majority to overrule that principle if there is a considerable gain for the general public, as long as appropriate procedures are followed.

Likewise, there are differences in perspectives among staff and managers, and those differences of course color the outlook and the thinking about solutions to problems that arise. Making the analysis bottom-up does not mean that one must support any and all idea from the staff regarding the management of that organization. Chances are high that the bottom-up researcher will have a very good understanding of both staff and management, but in so far as policy advice may be a 0-sum game, he must be free to choose between sides, all aspects taken into consideration.

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