Institutionalism

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The study of political institutions has moved back into center stage in political science. Whereas only a few years ago, institutions were mostly casually mentioned in most political science research, today they are a central focus of attention. This change is not simply a change of language, or the catching on of a new popular phrase or academic fad. Instead these changes represent an important development in evolution of political science theory and intellectual focus.

What are ›Institutions?

In the broadest sense, institutions are simply rules. As such, they are a foundation for all political behavior. Some are formal (as in constitutional rules) some are informal (as in cultural norms), but without institutions there could be no organized politics. Indeed absent institutions there could be no organization at all. To understand this point, simply attempt to consider a world in which there were no rules: In this Hobbesian hell, individuals would be forced to ›invent‹ communication every time they encountered another individual. In this sense, then, if we

study social interaction, we study institutions. This does not suggest, however, that all social scientists are AInstitutionalists.@

Institutionalism

The AInstitutionalism= specifically examines the ways in which institutions structure social and political behavior (North 1990). This burgeoning body of literature argues that policy, politics and behavior can only be understood in the context of the institutions in which they take place. Thus, for example, Ellen Immergut argues that variations in National Health Insurance (NHI) systems is best explained by variations in national political institutions (Immergut 1992). Similarly, Bo Rothstein shows that Sweden=s high union density is best explained by the AGhent@ unemployment insurance system which gives workers powerful incentives to join Swedish unions (Rothstein 1992). Even more broadly, Douglas North suggests that the very success of western political economic model is rooted in the peculiar institutions developed in these societies (North 1990).

The central tenet of this New Institutionalism is that institutions are not neutral to policy outcomes. As Peter Hall has suggested, AOn the one hand, the organization of policy-making affects the degree of power that any one set of actors has over policy outcomes.... On the other hand, organizational position also influences an actor=s definition of his own interests... in this way, organizational factors affect both the degree of pressure an actor can bring to bear on policy and the likely direction of that pressure@ (Hall 1986:12).

In sum, institutions define the rules of the political game and as such they define who can play and how they play. Consequently, they ultimately can shape who wins and who loses. If politics is the study of who gets what, when and why? Then Institutionalists argue that

institutions should be at the heart of that study.

A Brief History of Institutionalism

Institutionalism has a long established tradition among those interested in politics and political outcomes. Plato=s *Republic* is a comparative study of Institutions. Similarly, Aristotle=s central concern in *Politics* is which kinds of political institutions will produce the best outcomes. James Madison must clearly also be seen as an early American AInstitutionalist@ in that he was specifically concerned with which kinds of institutions would produce the best political outcomes and how the specific design of institutions would shape political outcomes.

Political scientists have also long been interested in institutions. Indeed, in its early years political science meant the study of political institutions (Wilson 1891). But, with some important exceptions (cf. Herring 1940; Key 1947), early political science was often more descriptive than analytical. >Comparative politics,= in particular, consisted mostly of detailed configurative studies of different legal, administrative and political structures (for a review and critique of this early comparative literature see Verba 1967). In the immediate post-war years a new generation of political scientists attempted to make the study of politics more >scientific.= For many this effectively meant that political science ought to model itself on the Ahard sciences@ which they believed was fundamentally a deductive process. Thus rather than studying the details of political life and inductively uncover the patterns of behavior and action, political Ascience@ should be a deductive science that seeks to discover of the general laws and

fundamental forces that lay behind political action. Focusing on particular institutions, proponents this intellectual agenda implied, was ›a-theoretical.‹ Concomitant with the push for more abstract laws, political scientists were disillusioned by the failure of parliamentary institutions in Inter-war Weimar Germany (and later in post-colonial Africa) to prevent these polities from devolving into authoritarianism. Clearly, many argued, there were bigger, more important, indeed more fundamental, forces at work in politics and development than political institutions. These forces, they argued, should be the focus of political science.

Thus, behavioralist, functionalist and Marxist perspectives took leading roles in political science theory building though most of the 1960s and 1970s. As a consequence, institutional analysis diminished in prominence... particularly in comparative politics. For Functionalists, political institutions were simply seen as organizations created to fulfill the systemic needs of society. As such, political institutions were neither important nor interesting. For Behavioralists and Marxists, political institutions were simply arena‹s in which political battles were fought out. While Marxists saw the relevant groups as classes and Pluralists saw them as more narrowly defined, neither theoretical perspective played particular attention to the structure or character of the institutions themselves. The real meat of politics, they argued - and the keys to understanding political outcomes - was found in the articulation of group interests. Though this was rarely explicitly stated, implicit in these theories was the assertion that if politics or policies differed between societies, this difference was surely the result of different constellations of group and class interests or preferences (Almond and Verba 1963; Miliband 1969).

It was not the case, however, that all political scientists had abandoned the study of institutions. Indeed, many of the most widely read scholars in American Politics maintained an

explicitly institutional emphasis (cf. Schattschneider 1960; Greenstein 1963; Fenno 1966; Polsby, Gallagher et al. 1969). In Comparative Politics, as well, several political scientists continued to examine political institutions and their effects on political outcomes (Ekstein 1960; Bendix and Brand 1968; Huntington 1968), even while they sometimes had to defend their ›inductive‹ approach from the challenge that it was not ›scientific‹(Przeworski and Teune 1970; Bill and Hardgrave 1973). For these scholars it was self-evident that if one wanted to understand what government does, one needs to specifically study the institutions through which it acts.

It was probably in Comparative Politics that the search for AGrand Theory@ had its most significant impact. It may be for this reason that a self-conscious return to AInstitutionalism@ was most forcefully articulated here. Among the first group of scholars to move in this direction was Katzenstein and his colleagues who sought to explain why several advanced capitalist state=s responded so differently to the oil shock of the 1970's. The answer, they concluded, was found in the differing institutional structures in these polities and the consequent patterns of economic policy pursued in each nation (Katzenstein 1976). Similarly, Theda Skocpol=s study of social revolutions also concluded that one could not explain the course of a country=s revolution without examining the nature and structure of the state against which these revolutions were aimed (Skocpol 1979).

Soon a new ›State Centered‹ approach emerged in comparative political inquiry. These scholars forcefully argued against the behavioralist and Marxist Agrand theory@ emphasis then dominant in the study of comparative politics. Instead, they suggested, political outcomes were shaped and structured by the specific actors and their position in the state. One should not treat the state as a neutral ›black box‹ through which group or class interest was simply translated

(Evans, Rueschemeyer et al. 1985). Instead, the state had independent interests and agendas which were separate and different from the interests and preferences of classes and interest groups that made up society.

Of course it did not take long for these scholars to discover that ›the state‹ is too broad a concept and too varied a set of institutions to be ›taken seriously‹ without being broken down. To make analytic sense out of the insights, scholars began examining institutions more carefully. If state institutions Amatter,@ they argued, then why should this not be equally true of institutions outside the boundaries of the executive state? With these questions AThe New Institutionalism@ was born.

Three ANew Institutionalisms@?

Today three different intellectual approaches lay claim to the term AInstitutionalist@ (cf.Hall and Taylor 1996). Each grows out of a different academic discipline and attempts to integrate these different analytic traditions into the understanding of politics. Sociological Institutionalism, as it‹s name implies, grows out of Sociology and the study of organizations (eg. Selznick 1949). These scholars have been centrally interested in understanding culture and norms, as institutions. These scholars emphasize ›folkways,‹ ›patterns of behavior‹ and ›cognitive maps‹ and argue that these social institutions are critical for understanding the structure social, political and economic interactions (March and Olsen 1989; DiMaggio and Powell 1991). Building on upon their analyses of complex organizations, these scholars show the relationship between formal institutions and the structure of patterns of behavior and beliefs. They argue that

these informal institutions are core to any understanding the non-rational aspects human communication and exchange.

Rational Choice Institutionalism, taking its lead from economics, emphasizes quite different sets of institutions and their effects. Rational Choice (RC) scholars attempt to apply the formal logic and methods to the study of politics and history and often explicitly eschew the more mushy or less precise variables such as norms an beliefs. Instead, basic assumptions are made about human behavior and motivation in order to uncover and examine basic Laws of political behavior and action. Scholars in this tradition argue that once these laws are discovered, models can be constructed that will help us understand and predict political behavior (Levi 1988). In their deductive model, Rational choice scholars look to the real world to see if their model is right [test the model]. For these scholars, understanding real outcomes is not the first point -- creating, elaborating, refining a theory of politics is (Weingast 1996).

The implications of this scientific orientation are substantial. Morris Fiorina, a highly regarded RC scholar at Harvard put the issue in the following way: Amost PTI scholars are not as interested in a comprehensive understanding of some real institution or historical phenomenon, so much as in a deeper understanding of some theoretical principle or logic... [F]or most PTI scholars, breadth trumps depth; understanding 90 percent of the variance in one case is not as significant an achievement as understanding 10 percent of each of nine cases, especially if the cases vary across time and place@ (Fiorina 1995:110-111).

The third New Institutionalist approach, emerges out of what might considered a more traditional Political Science. Consequently, it has a quite different aim: Historical Institutionalists are primarily interested in understanding and explaining real world events and

outcomes. As with the other approaches noted above, scholars working in this tradition also argue that one can not explain particular historical outcomes without specifically examining the way in which the political institutions had shaped or structured the political process (Steinmo, Thelen et al. 1992). But, unlike RC scholars in particular, Historical Institutionalists came about their Ainstitutional@ arguments inductively after testing a variety of alternative theories (ie. Marxist, Structural Functionalist, Culturalist and Rationalist) against the outcomes they observed. In other words, Historical Institutionalists are first interested in explaining an outcome (say, for example, why France and Britain have pursued such different styles of industrial Policy (Hall 1986) or why some welfare states generate more popular support than others (Rothstein 1998)) they THEN proceed to explore alternative explanations for the outcomes they observe.

Historical Institutionalists do not argue that institutions are the only important variables for understanding political outcomes. Quite the contrary, these scholars generally see institutions as intervening variables (or structuring variables) through which battles over interest, ideas and power are fought. Institutions are thus the points of critical juncture in an historical path analysis because, political battles are fought inside institutions and over the design of future institutions.

Institutional Change and Evolution

Institutionalist scholars from a variety of perspectives are currently focusing on one of the most interesting in vexing issues left hanging in the institutionalist literature - explaining institutional change. Institutional stability (or equilibrium) is far easier to explain than change: Institutional change means increased uncertainty because any particular set of institutions are

embedded in a variety of other institutions, it is difficult to accurately predict the long run consequences of even small rule changes. Once again, every institution favors some interests and ideas over others, and therefore the advantaged are generally loath to change the status quo. Indeed, even current losers may decide that the status quo is preferable to some uncertain future in which they could be even further disadvantaged.

Of course, institutions do change, and sometimes they can change quite dramatically. Still, we as yet have no clear theory of how and why they change (with the exception of the a ›punctuated equilibrium‹ model derived from Steven Gould‹s evolutionary theory). But clearly this single model of change is inadequate. It amounts to little more than suggesting ›stuff happens.‹ While it may be true that ›stuff happens,‹ we need to have a better understanding of why even exogenous shocks get refracted in particular ways. Additionally, we need a better understanding of the role endogenous variables in the change process.

A variety of scholars have begun to explore the dilemma of institutional change by building more explicitly on evolutionary models suggested in the life sciences (Arthur 1994; Jervis 1997). Indeed, perhaps one of the most interesting outgrowths of the ›institutionalist turn‹ of political science in recent years may be that political science may begin to move away from its fascination with physics and its emphasis on absolute laws that hold across time and space. An institutionalist political science may instead look more like the life sciences - with their emphasis on contingency, context and environment. In this event, the goal will be more to explain past (evolutionary) outcomes and less to predict future ones.

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