

Networks and Bargaining in Policy Analysis

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INTRODUCTION

This chapter ¹ tells how scientific calls for rationalism and for understanding non-rational behavior have fought visible, but at times less conspicuous, wars over the use of various models of interaction in policy processes. The concept of *network* (depicting various types of linkages between actors) has been quite victorious, but that does not mean that the features it covers are new.

Robert Hoppe has expressed the transformation of policy analysis over time well: It has gone from "Speaking Truth to Power" to "Making Sense Together" (Hoppe 1999, 201). In this chapter, the difference between the two statements is illustrated by the models of the rational actor and of mutual adjustment. We analyze some core features of these models, and from there we shall discuss a number of developments within the literature in the second half of the 20th century, in order to gain a better understanding of how theorists have dealt with human interaction in the policy process. Subsequently, we shall go through the way in which various schools of thought have dealt with the resulting pattern

of interaction, a pattern that in the early years of the third millennium A.D. is conceptualized as a *network* by most theorists. It is a story of how the rational model has conceded to interactive theories of political and administrative processes, and how the conceptions of policy processes have been broadened from being based on the polity and politics in a narrow sense to being a societal affair involving many types of actors.

However, the general ideas of networks have been present in the literature on mutual adjustment for many years. Earlier on, however, there was less agreement about the right term. This article establishes common themes on the variation. The approach is systematized historically. In the view of this author, social theories do not exist in any abstract sense. They are constructed by scholars who interact with one another and inspire one another in complex, international research networks, more or less in a Kuhnian (Kuhn 1962) way. However, real paradigm shifts are rare in the social sciences (Lakatos 1974), while marginal shifts in theoretical approaches are frequent. Scholars are subject to fads and fashions, they apply explicit and implicit comparisons, they compete for attention within their scholarly community. Policy analysts also react to and analyze the same empirical phenomena in society. Thus, they create competition, innovation and the diffusion of ideas, which often bear considerable resemblance to one another, and which are discussed in groups of scholars who share some fundamental views on social theory. They then apply the theories with some variation, according to the circumstances of their empirical research.

In short, theory is contingent on time and space, and thus the present *network* understanding of policy has come about as a result of scholars interacting and discussing the possible interpretations of social phenomena - in this case policy processes. This chapter explores some trends that have been present for the last 30 years or so without pretending any full coverage, since the theme of policy networks is vast. And since the author was present most of the time, participating in several networks, the critical reader may find some autobiographical biases. The reader will find other recent accounts of the development of the theme in Hoppe (1999), Hajer and Wagenaar (2003), and Fischer (2003), each tailored to a specific context (and all critical of traditional policy analysis). In addition, Hill and Hupe (2002) provide a general discussion from the angle of implementation, particularly the tensions between *top-downers* and *bottom-uppers* (explained below).

The discussion will be selective, it is not possible to digest all types of network policy analysis within one short chapter. We have omitted the trends towards a *transnationalization* of domestic policies, which has been due to international regimes, like the EU, the UN, the WTO etc., discussing how policies are negotiated in complex settings involving many actors, including various NGOs; see for example *Linkage Politics* (Rosenau 1969). Following patterns towards institutionalization within the EU, there has been a merge of literature on intra- and inter-state relations, to some degree captured by the concept of *multi-level governance* (Hooghe and Marks 2001). We also ignored the *evaluation* literature which, of course, is relevant for methodology within policy analysis. In particular, the fourth generation of evaluation (Guba and Lincoln 1989) is closely linked to governance and deliberative policy analysis.

Fischer (1995) brings some of the pieces together nicely.

ORGANIZED ORDER VERSUS MUDDLED PROCESSES

The classical, rational and the mutual adjustment models form the backbone of this chapter. In this chapter, we shall focus on how these models treat the decision-making processes and the interaction between actors.

Rational Policy-making

"Speaking Truth to Power" (Wildawsky 1979) indicates a troubled relationship between science and politics, between those finding the true state of the world and those wanting to rule it. Indeed, much of the policy literature is concerned with *authority, expertise and order* (Colebatch 1998). First, the policy literature deals with core activities of governments, setting up authority relations to back up the ideas of the policy principles so that they may be carried through authoritatively. Second, it discusses that policy principles do not come from an empty space, they are based on in-depth knowledge of the affairs the policy aims at regulating. This knowledge may come from governmental or external sources, but it is brought together in the contents of the policy. And third, the literature expects the policy to aim at solving a number of important problems within the target area, thus creating some sort of order in that segment of society. In the end, the policy may not be successful, but still, problem-solving is an important aspect of the general understanding of policy.

Mostly authority, expertise and order has been dealt with in the orderly fashion brought about by a top-down perspective, using a sequential model of policy-making. Policy is created, decided upon and implemented step by step by collecting information, weighing the pros and cons of various possible ways of acting, and then deciding on the course of action that - in the vein of Pareto-equilibrium - will provide most people with most happiness for the lowest costs. Public (sub)agencies then execute the policy without much further ado.

This model, often named *rational*,² constitutes a core in the sequential model of policy-making (see chapter by Charles O. Jones), a model with good heuristic qualities, and a model that fits the picture which has dominated constitutions separating politics and administration, as well as the minds of managers, and their supporting management consultants and also much of the literature on management. It is a model of leaders being in control at the apex of the organization, from where they can design the processes desired to obtain the goals of the organization. A good example of how these lines of thought have been used in the literature is provided by Yehezkel Dror, who in 1968 published his *Public Policymaking Reexamined* (Dror 1968), followed in 1971 by two companion books (Dror 1971; Dror 1971) to substantiate some of the contentions of the first book. His aim was twofold: to advance the study of policy-making and to contribute to the improvement of public policymaking - which lacks the proper use of knowledge.

Dror's optimal model has three major stages (Dror 1968, 163–196): Metapolicy-making, policy-making and post-policy-making, and within those there are eighteen sub-stages, one of which is continuous communication and feedback channels interconnecting all phases. *Metapolicy-making* involves seven stages of processing values, processing reality, processing problems, developing resources, designing the policy-making system, allocating problems, values and resources, and finally determining the policy-making strategy. *Policy-making* involves another seven stages of suballocating resources, making and prioritizing operational goals, ditto for other significant values, preparing a set of major alternative policies (including some "good" ones), predicting benefits and costs of those policies, identifying the best policies in that light, and then deciding whether the best alternatives are "good" policies. *Post-policy-making* involves motivating the execution of the policy, executing it, and evaluating the results.

The feedback elements of the model give it a dynamic feature, and Dror stresses the demands for iterative processes. He also leaves room for "extra-rational" behavior based on limited resources, uncertainty, and lack of knowledge as well as creativity and intuition (Dror 1968, 157–158), but the aim of the model is to limit the importance of such elements in order to enhance optimal policy-making - understood as "one that is not distorted by the noise that is in fact inherent in all, and especially complex, structures" (Dror 1968, 200). The task, then, is to organize processes so that at least one unit contributes to each phase, and so that the contributions of various units add up to an overall optimal operation at low costs and with little distortion. However, there is no one single model for organizing - one may use hierarchy or polycentric structures in various forms, depending on the demands of the situation. The judgment of success or failure rests on the contribution of the participants to the process, not to a particular organizational form.

In other words, Dror does not subscribe to a monolithic hierarchy. Nevertheless, he emphasizes the need for overall systems management, metapolicy-making and comprehensive public policy-making in order to promote adjustment and take advantage of new knowledge, and to prevent sub-optimization by single units. The key to such a demand is better personnel: professional staffs, units to survey and retrieve knowledge, and units for policy-oriented research. This form of manpower is to be supported by computerized systems and it must be managed in new ways (this is 1968), "in order to stimulate interprofessional teamwork and creativity" (Dror 1968, 274). In addition, there must be some systematic evaluation and learning feedback from experience.

The model, then, relies on our capabilities to produce knowledge based on science, and to feed it into the policy-

making process in order to enhance enlightened choices within a comprehensive system, and in order to avoid incremental policy-making (see next section) which in Dror's opinion amounts to nothing but conservatism in disguise. In a later edition of the book (Dror 1983), Dror has added an introduction in which he laments the lack of advance of the policy sciences in the direction he has recommended. He also acknowledges that active participation in governmental roles has, in the meantime, taught him some important lessons about policymaking: "Social science studies from the outside do not penetrate into the realities of central high-level decision making", and "...ominous policy-making weaknesses are built-in into core components of governance, with present policy predicaments overtaking maximum policy-making capacities." (Dror 1983, x-xi). The problem he faces is that of research and advice versus politics of all sorts. The original book is based on the ideal of science as an integral part of the desired model optimal policy-making, and the political dimensions were not treated in-depth - a problem Dror did not solve, no matter how many times he paid heed to other sources of information, including extra-rational forms³.

Mutual adjustment in policy-making

This line of argumentation in the policy literature is concerned with the empirical characteristics of the policy process in a political setting. Analysis of policy cannot be understood in isolation from the ways politicians, administrators and representatives of interest in society at large interact about themes of common interest. One core argument, promulgated by Charles E. Lindblom, is that the information rendered in and by such processes has as much value as information produced by researchers and other experts. So, where proponents of the rational model recommend problem-solving based on the authority of expertise, followers of mutual adjustment advise problem-solving based on the authority of agreements reached among interested parties.

Lindblom's most famous text is, undoubtedly, "The Science of Muddling Through" (Lindblom 1959), originally published in *Public Administration Review*, but reprinted in numerous Readers. The message is relatively simple, but also highly contested; instead of making a comprehensive analysis of all possible means to obtain an end, the administrator resorts to comparing only a few which often do not deviate much from past uses, and the one selected is the one that creates agreement among the participants in the policy-making process, no matter what their ideological standpoints might have told them to do.

For the purposes of this article, Lindblom's discussion of *how agreement comes about* is crucial. It is not a long or even deep analysis. It is a short, nearly an ideal type description of how almost every interest in the USA has its watchdog, and that in the formation of a policy a process of mutual adjustment takes place among various interest groups and public agencies; and even though all these actors may not have an explicit focus on a particular policy goal, the result of the processes will be a viable policy. Thus there is no comprehensive income policy in the USA, but "a process of mutual adjustment among ... (various actors) ... accomplishes a distribution of income, in which particular income problems neglected at one point in the decision process becomes central at another point." (Lindblom 1959). Furthermore, policies are not made once and for all, but changed and adapted in a never-ending and continuous process in which those who lost at one point may gain at another. Moreover, since changes are incremental, losses (and gains) for each policy process are endurable.

The underlying understanding of this process is one of a large number of actors, continuously interacting about a host of themes, rarely coordinated by any central agency, but rather performing according to some analogy of the *hidden hand* of the economic market. Lindblom indicates this without really conceptualizing it in footnote number 7 in the article: "The link between the practice of successive limited comparisons and mutual adjustment of interests in a highly fragmented decision-making process adds a new facet to pluralist theories of government and administration." Lindblom expanded this line of thinking in his *The Intelligence of Democracy* (Lindblom 1965) with the subtitle *Decision making through mutual adjustment*. The book sets the tone on page 3: "... people can coordinate with each other without anyone's coordinating them, without a dominant common purpose, and without rules that fully prescribe their relations to each other."

The principles of this argument are found in a much earlier paper from 1955, "Bargaining. The hidden hand in Government" (Lindblom 1988), and it is a largely un-referenced, but insightful, discussion of how bargaining coordinates policy, how it takes place in and among public agencies, and how actors are motivated for that particular behavior. The key is that no one trusts hierarchy to bring forward "every fact and value favorable to him. We want a social mechanism in which every man can speak for himself or find someone to speak for him." So bargaining involves actors and brings forward more aspects to a matter. In other words, the policy-making process is a matter of politics in the broadest sense, and in politics there is not only one truth available. Researchers mostly follow the political master designated by the hierarchy, but other parties interested in the matter may contribute with other views.

In the quote above, we find one clue to Lindblom's subsequent career of advocating for pluralism in policy analysis. There is more, of course; the arguments are unfolded in *The Intelligence of Democracy* and used in Lindblom's and Cohens' *Usable Knowledge* (Lindblom and Cohen 1979). One basic message is that there is no privileged knowledge in the policy process,⁴ and another is that the process can only be successful if agreement (not only compromise) is reached: then the process has acquired a rationality which serves a democratic solution.

The two models compared

The two models are, indeed, adversaries. Dror explicitly renounced incrementalism, and Lindblom, of course, wrote to warn against any belief in the rational model. Dror is not a rationalist in the classic sense, but his model should be seen as an approximation to rational decision-making.

The models share an interest for the role of knowledge in the policy-making process. But they differ sharply in their interpretation: the rational model subscribes to comprehensive uses of scientific knowledge, whenever possible, the model of mutual adjustment puts science on a par with any other type of knowledge. This does not mean that Dror's model ignores other means of acquiring knowledge, but any information should be put into a context of priorities set beforehand. The model of mutual adjustment does not rely on pre-set goals, but on agreement acquired during the process.

Both models are created for Western democratic and pluralistic societies. Therefore, they both contain elements of communication and interaction which are useful for our subsequent discussion of networks. However, their understanding of how to play a role in a democracy is quite different. One is based on technocratic knowledge, depending on how politicians allow it to be expressed. The other one is based on knowledge in the *demos*, depending on how it may express itself.

Rational models are often seen as command-and-control systems, featuring the (democratic and elected) top. Dror does not subscribe to such a view, but recommends interaction between stages and between actors in the process - within the frames of goal-setting. The model presupposes that the politicians ultimately are in control of the bureaucracy and hence, in Dror's terms, they control meta-policy-making. The bureaucrats provide politicians with documentation for any verifiable statement and they substantiate that all relevant information has been scrutinized. In turn, the politicians are controlled by the voters at the general elections and by the watchdog function provided by a free press. So, the rational model is also to be applied in a pluralistic setting.

The model of *mutual adjustment* is basically one of interaction, but the number of actors is an open question, dependent on the democratic procedures of society. It requires a pluralistic society and a political system that allows various societal interests to enter the policy-making processes and participate with a prospect to win attention and influence now and then. Who exactly will win and when is then an open (empirical) question. These conditions should be fulfilled in a polity in a pluralistic society like the USA. But 18 years after his seminal article (Lindblom 1959) was published, Lindblom conceded in a much acclaimed book (Lindblom 1977) that there might be a bias in the policy system which provided certain actors with more clout than others - in the American case, big business. In a later book (Lindblom 1990), Lindblom stated that, although imperfect, he saw no alternative to pluralism; instead the challenge was to cope openly with the problems to reduce adverse consequences as much as possible.

TOWARDS NETWORK ANALYSIS

Policy analysis has its main roots in American political science - with a little help from friends in economics and sociology - and in public administration, which, however, for most policy purposes itself is rooted in political science. Political science developed a strong platform in the 1950s and 1960s based on various versions of systems analysis - David Easton (e.g. Easton 1965) and Karl Deutsch (Deutsch 1963) are examples of mainstream thinking in the field. And, regardless of the potentials for other ways of doing analysis in, for instance, Deutsch's cybernetic ideas, political scientists focused their interest on organizations within the political systems, often conceptualized as *institutions*, meaning interest organizations, political parties, parliaments, the executive, local government and other organizational forms of political life. Their aim was to theorize about these components of the political system - an example of such a partial analysis is Sjöblom (1968) on political parties in a multiparty system, strongly influenced by David Easton and Anthony Downs (1957).

However, most *policy* analysts were not so interested in theorizing about components within the political system. The systematic policy movement started in the second half of the 1960s (e.g. Ranney 1968) and became a thriving field in the 1970s, first of all as *policy implementation research*. Many policy analysts used the systems approach and wanted to explain the outputs and outcomes of the political system without really analyzing the contents of the policy processes (Sharkansky and Hofferbert 1969). But empirical analyses coming closer to the dynamics of the policy process led to the conclusion that focus on the outcomes of single organizations like the legislature was not really helpful: ideas and principles in parliamentary law were often changed during processes of adaptation in the executive branches and in implementing organizations at the regional and local levels.

Pressman and Wildawsky's examination of the fate of a federal program in a local setting is a classic example (Pressman and Wildawsky 1973). One main explanation of the changes was the long chain of decision-makers from Washington, DC, to Oakland, CA, which they called the *decision path*, and they viewed each decision-maker as a relatively autonomous actor who could in effect block progress. In a second edition in 1979 (Pressman and Wildawsky 1979), Wildawsky wrote a new chapter on "Implementation in context", and referred to Hugh Heclo's use of *issue network* as a heuristic device to understand how policies were coordinated.

Heclo had coined the term network much earlier. In a review article on policy analysis he wrote that one should be

careful "not to reify collectivities into individual deciders but to understand the networks of interaction by which policies result" (Heclo 1972, 106), and he recommended analyzing within programs (instead of analyzing organizations). This he did himself in Britain, in Sweden and in the USA, research which led him to core concepts within policy analysis: *policy communities and issue networks* (Heclo and Wildawsky 1975). Policy communities were more stable interaction patterns among policy interests, issue networks were mostly *ad hoc* mode.

Heclo was not alone in such research. In a number of research settings, scholars were searching for theoretical and conceptual solutions to their observations of multiple actors interacting in policy formulation and implementation. Many of them share empirical observations, but their point of departure in various disciplines means that their analytical interests and concerns differ.

Within research on interest organizations and their relations to the state, the term *neo-corporatism* (Schmitter 1974) was created to indicate a particular and generalizable pattern of interaction in society, giving industrial interests in a crucial role in politics, but without much formal representation in decision-making bodies, and mostly without formally delegated powers. This was in contrast to corporatism proper (as was the case in Fascist Italy), where organized interests would have formal state powers, Schmitter's ideas were followed up on by various projects which lead to theorizing about the *segmented state* or *state sectors*, indicating much of what Heclo had termed policy communities. But there was an important difference in their view on the degree of integration within the networks. While Heclo, Wildawsky and others supported a pluralist view of politics and hence looked for alternation in the importance of actors within the network, researchers analyzing policy sectors worked within a tradition looking for closed interrelations among actors.

Schmitter's ideas became very influential in research in North European countries, primarily regarding relations between interest organizations and the state. In Europe he influenced several research agendas regarding collective action and interest organizations (Czada and Windhoff-Héritier 1991) as well as the borderline between public and private (Streeck and Schmitter 1985). In Norway, a research program on *power* led to theorizing about new segmented forms of state power within policy sectors, with voters and the parliament in less prominent positions than the constitutional design would lead you to think (Olsen 1978), and government, administration and interest organizations in strong positions. Within broader social theory, Norwegian researchers coined the phrases of the *negotiated economy* (Hernes 1978), a concept indicating that market forces were replaced by negotiations between social organized interests and the state (Pedersen and Nielsen 1988). These results led to an increased interest in analyzing *institutional aspects* of society, based on a mix of macro- and micro-theoretical foundations in economics (Williamson 1975) and sociology (Selznick 1957). We shall return to institutionalism below.

Planning researchers found a need for conceptualizing coordinators in town planning based on multiple agencies in local government. One conceptual solution to these findings was the invention of the *reticulist* (Friend, Power and Yewlett 1974) as an actor that links other actors together in networks. These authors drew on organization theory, whose practitioners observed inter-organizational phenomena in many settings. Some were seen to reduce the importance of market relations and hence a break with some elements of economic theory of the market. Examples were *interlocking directorates*, where corporations shared a number of individuals on boards of directors and hence were able to coordinate policies (Pennings 1980); an early and socially broader oriented example of this line of thinking was Wright Mills' book on the *Power Elite* (Mills 1956).

Other relations were seen as variations in features of the *organizational society* where private organizations communicated with one another about common purposes and engaged in new relations with the state in order to influence public policies. And, likewise, since the state engaged in more and more policies and programs that would affect various organizational interests, it had concerns and needs for coordination which could be satisfied by better communication with organized interests. As a consequence, the state and private organizations became interdependent, and there was a need to conceptualize the relations.

One line of such inter-organizational research was based on resource exchange as the medium for sustaining interorganizational relations, but the focus was on the macro-aspects of exchange; one influential source was Benson (1975) who used the (Marxist) logic of substructure and superstructure from political economy to tease out basic forces like money and authority, which were then brought into play in a superstructure of organizational interactions. He developed his first model into an analytical model of a two-leveled policy sector - understood as a subset of a large number of interorganizational networks in society (Benson 1982). In Europe, Rod Rhodes used these and other sources in organization theory as inspiration for developing his models of state-local government relationships (Rhodes 1979; Rhodes 1986) which he continued to use for an extensive discussion of policy networks and policy communities as organizing factors in British politics and administration (Rhodes 1997).

Another line of inter-organizational research had a micro focus and could be said to have some inspiration from literature dealing with increased division of labor in society. How can such sectors be understood? Most rationales in such analysis are based on theories of public choice, which lead to the conception of a *service industry* (Ostrom and Ostrom 1977; Ostrom, Parks and Whitaker 1978) - which had many common features with a policy sector. The basic idea was to counter theories of (large) bureaucratic organization by theories of (small) organizational cooperation, making a case for small-scale government and governmental agencies which would pool resources for larger tasks, if necessary. The basic ideas were developed into game theoretical frameworks and applied in various forms of

self-government (Ostrom 1990) and in intergovernmental relations in Germany (Scharpf 1997).

Both the resource based and rational choice models were presented in an often-quoted anthology on inter-organizational policy-making in 1978 (Hanf and Scharpf 1978). It fulfilled at that time the need implementation scholars had for analytical models, which at the same time caught interaction *among* levels of administration as well as *at* each level. It was to be the first volume of the soon after rapidly growing literature on the *fragmentation of the state apparatus*. The fragmentation was due to decentralization of powers to lower levels and sharing powers with various organizations in the "gray" zone. This created new and intensified possibilities to exercise influence on separate decision-makers. Following this tendency, the borders between public and private tend to become blurred, and the exchanges of information make the various actors dependent on one another for updating and development of their understanding of the environment.

SUBSEQUENT TRENDS IN POLICY NETWORK ANALYSIS

Above we inspected some of the roots of policy network analysis and its development in the 1970s and early 1980s. We shall now discuss the subsequent development of analytical perspectives, which include traditionalists, institutionalism, governance, and trends towards deliberative discourse analysis. They have developed historically, of course, so they overlap, and to some degree they both react to and build upon one another in the sequence of institutionalism in the 1980s, governance in the 1990s and deliberative analysis in the late 1990s and now under further development in the 2000s. Traditionalists were found all the time - but some of them changed with the currents.

What were those trends about? Grossly oversimplifying, one can say that there has been a move from system and hierarchy (rational models) towards fragmentation and empowerment (mutual adjustment). Institutionalists were concerned with how political systems fared and they worked to re-conceptualize the modernistic state apparatus into something less monolithic in processes involving various stakeholders in society. Governance scholars continued this work and conceptualized the workings of various parts of the systems and helped us understand better how network policy processes took place. Discourse and deliberation scholars cashed in on further changes in society towards involving citizens in policy processes, and they also were part of the general movement among some social scientists towards social constructivism and pragmatism.

These three forms constitute some of the "forefront" in research during those years. But that is not to say that every one participated. Of course, many policy analysts proceeded in more traditional veins and challenged the new-bees, or approached the new ideas without buying them wholesale. So, first, we'll review some of the main arguments among them.

Traditionalists

The essence of the development of traditional policy analysis is caught by referring to the struggles between *top-down* and *bottom-up analysis*. In many ways, this was a discussion between the rational model and muddling through, between Dror and Lindblom - without their being present in direct confrontations.

An example of the top-down perspective is given by a model of Intergovernmental Implementation by Van Horn (1979, 15). The problem is to get National priorities implemented at the local level, and the remedy is, first of all, to get clearer policy goals and standards at the federal level - the more specific, the better. This must be supplemented by better, i.e. clear, accurate, consistent and timely communication. All these elements are part of the rational model, as is the distinction between policy and implementation, which is maintained. However, Van Horn does recognize that local attitudes of political actors and interest groups are important, as are the skills of agencies and the need for adequate resources. The policy problem is how to overcome such hindrances for successful implementation. One can find similar understandings of the policy process in the literature (Bardach 1977; Mazmanian and Sabatier 1983).

This way of understanding the policy process was countered by various scholars, claiming that enhanced control from the top simply would not be enough. One must understand what is going on among the various agencies, and such understanding cannot be won by focusing on the top, one has to unwrap what goes on locally (Hjern and Hull 1982; Hjern and Hull 1984). The critics developed the concept of an *implementation structure* (Hjern and Porter 1983), an analytical tool to map the interactions between actors involved in the policy process, inspired by - among others - Elmore (1979) and Lipsky (1980). A core *dictum* was that actors, *a priori*, should be put on a higher position in the policy process if one were to truly realize what goes on - namely the creation of a policy network instead of a system of authority.

A thorough mapping and discussion of the various positions is found in Hill and Hupe (2002, 41–84). Several attempts to create a compromise between the two schools have been made over the years, and even the most ardent proponents of either side have conceded that a pure paradigm is not tenable (Sabatier 1986; Hjern and Hull 1987). There is some authority present in most systems, but it may be dormant - negotiations take place "in the shadow of hierarchy" (Scharpf 1997, 197–205). Whatever the case, most of those taking part in the discussion on top-down versus bottom-up did fairly traditional analysis in methodological terms; they used statistics, interviewed

actors and followed the mainstream tradition in their empirical analysis. Several of them also took part in the discussions leading to the new institutionalism, which is the subject of the next section.

New institutionalism

The most dominant trend of the 1980s involved *new institutionalism*. There are several versions within policy analysis - and many more outside, which we shall ignore. Most of them share a dissatisfaction with the American behavioral revolution (Easton 1953; Simon 1945; Truman 1951), but they have different cures for the malady. The main distinction relates to micro- and macro-perspectives on actors, respectively (Scharpf 1997; March and Olsen 1989). Many of the attempts to theorize about policy networks ended up with delineating some sort of subsystem, probably with some inspiration from Heclo (1972) and his predecessors in American analysis of sub-governments (e.g. Lowi 1964). One theme was the degree of autonomy policy networks enjoyed vis-à-vis more inclusive systems like the political systems (Lehner 1991; Rhodes 1986). Another theme concerned the policy network as such: how was it organized, how were powers distributed (Scharpf 1991; Rhodes and Marsh 1992). A third theme concerned the role of networks at a societal level: How could one understand the politics and administration of societies with many policy networks (Lehmbruch 1991; Campbell, Hollingsworth and Lindberg 1991)?

Whatever the case, policy analysts found that the formal organizational system of government often did not adequately describe the patterns of interaction they found in policy formation and implementation. Moreover, the alternative, "American" behavioral analysis, lacked a foundation in or a link to what organizations meant in political life. If one structures the field in terms of Richard Scott's three types of institutional theory - regulative, normative and cognitive (Scott 1995), three types of questions interested policy analysts. First, they found themselves confronted with questions of what systems of rules that might really apply to the actions of both organizations and individuals. Furthermore, they asked themselves what social obligations the actors wanted to adhere to when they set standards for future policies, or when they implemented policies in ways that were not always in close accordance with the stated, formal policy principles. Third, they found a need for identifying norms for proper behavior in networks across organizational boundaries - how did actors perceive one another, and how did they come to terms when their organizational backgrounds differed?

Such questions are to some degree answered by various institutional theories. Scott's distinctions were not part of the discussions of policy scholars in the 1980s, at least not explicitly, so they articulated their institutional theories differently. There was a relatively clear cleavage between scholars working on the basis of rational choice theory and those who were more interested in structural analysis. In a way, their interest was much about the same. They realized that it would be no use only to focus on formal organizations like parliaments or bureaucracies to analyze policy processes. *Rational choice* theorists then asked themselves how variations in structural conditions would affect various types of rational actors. Examples are various ways of organizing the police force (Ostrom, Parks and Whitaker 1978), or ways of organizing local governments in metropolitan areas (Oakerson 1987). The rationale behind this was that small organizations could be effective if they cooperated with other ones about certain tasks in a rational way, based on self-interest, thus consciously waiving their formal autonomy in such fields, replacing it by mutual dependence. *Structuralists* likewise asked themselves about the role of institutional settings, but their interest was, more or less, to make plausible a claim that organizational actors do not decide as rational actors, they rather follow standard operating procedures, and normative facets of the organization as they appear in myths, symbols and even rituals - in short, the organizational culture which would define appropriate behavior of actors. Therefore, organizational factors would be important, but in other ways than traditional political science had used them in the past (March and Olsen 1989).

The main difference between the two types of new institutionalism, then, was rooted in opposite hypotheses about the behavior of actors. In addition, there were strong normative differences, in that most rational theorists did not much care about how services were provided and therefore might advocate for privatization; structuralists to a much greater extent adhered to maintaining the particular democratic values provided by public sector organization of services. In policy terms, this became very visible in normative discussions, e.g. about the pros and cons of *new public management* (Hood 1991; Barzelay 1992).

Governance

A second major trend came in the 1990s, and its theme was labeled *governance*. In many ways it was a natural sequel to the focus on institutionalism in the 1980s. There was an enduring competition between macro- and micro-analytical approaches to conquer the right to be called *new institutionalists* (Selznick 1996), and there were tensions between new and old institutionalists, to say nothing about those who still saw formal organizations as institutions (Aberbach and Rockman 1987). So the more the field of analyzing policy networks developed, the more the search for more adequate concepts intensified. Increasingly, the concept of governance gained momentum: it could be seen as something other than *government*, and it had a processual flavor to it.

Nevertheless, governance turned out to get some comparable problems to institutionalism. It has become a somewhat fuzzy concept, covering a vast territory and therefore maybe less useful as a discriminating concept. Rhodes (1997, 47) refers to six meanings: the minimal state, corporate governance (of enterprises), new public management, "good governance" (for developing countries), socio-cybernetic system (overall characteristics), and

self-organizing networks. More categories probably can be found. But let us venture to capture some core meanings which will then form the backbone of the discussions in this chapter.

The most general use of governance covers new forms of government-society relations - as an example the socio-cybernetic system mentioned above. This comprehensive interpretation of governance suggests that the principles of modern society, with its division of labor between state, market and civil society, is under siege and, in particular, hierarchical state-society relations are being replaced by other forms of interrelationships, which often imply some "co"-action between public and private (Kooiman 1993, 4-6). Such an interpretation invites us to reconceptualize modern theories of the state; there is little agreement about how to do this, examples are theories of reflexivity (Beck, Giddens and Lash 1994) and of postmodern conditions (Bogason 2000; Miller 2002). Such theoretical constructs open up possibilities for understanding the state as a network mingled with the greater society and, consequently, political action changes in its meaning. Analytical interest goes away from a focus on parliamentary and bureaucratic processes of negotiation, and instead scholars identify interaction patterns between various interests, the results of which then get recognition as public policies. The precise organizational pattern is not defined, it is an empirical question within a dynamic system, much like Giddens' ideas of structuration (Giddens 1984).

A second and related, but less comprehensive meaning of governance, implies only the fall of clear organizational boundaries of public and private organizations, and the wider context (like state theory) is not really addressed. One example is that "*governance refers to self-organizing, inter-organizational networks* characterized by interdependence, resource exchange, rules of the game, and significant autonomy from the state." (Rhodes 1997, 15, italics in original). Such a definition sets rather clear boundaries for the analytical interest of scholars, and it invites a specific way of theorizing, based on inter-organizational assumptions. It puts networks into the center of our analytical interest, and other forms of governing are, consequently, left out of sight.

Policy scholars have taken part actively in the development of governance theory. Early on, their empirical findings pointed to problems with traditional political theory in explaining what went on in policy formation and implementation. Their findings on policy networks called for alternatives to the received view of the modern state. It became very clear when facets of policy networks were discussed in a management perspective - here the obvious lack of traditional control instruments belonging to the manager of the closed organization (Gage and Mandell 1990; Kickert, Klijn and Koppenjahn 1997); the primary role of the network manager then becomes to facilitate communication.

Deliberative policy analysis

The third major trend in policy analysis began in the 1990s and is gaining momentum in these first years of the third millennium. It is very comprehensive since it involves both theory and methodology, not to say foundations of social science. It concerns *deliberation and discourse* in policy processes, and thus it has one leg in the governance tradition, but it also reflects something more. Echoing the *linguistic turn* in the philosophy, one signal was the publication of the anthology entitled *The Argumentative Turn in Policy Analysis and Planning* (Fischer and Forester 1993), whose editors were inspired by Deborah Stone (1988) to state that "policy-making is a constant discursive struggle over the criteria of social classification, the boundaries of problem categories, the intersubjective interpretation of common experiences, the conceptual framing of problems, and the definitions of ideas that guide the ways people create the shared meanings which motivate them to act." So: "Policy analysis and planning are practical processes of argumentation." (Fischer and Forester 1993, 1-2).

No reference to networks in those sentences, but of course the development of policy analysis towards networks had unveiled processes which were hidden in the organizations of the 1960s and before. So they were closed to the type of scholarly scrutiny which was, after all, easier to perform in the networked policy processes of communication researchers followed in the 1970s and 1980s. And, sure enough, about half of the articles in the anthology discuss various forms of deliberation in the policy process, and hence indirectly network settings.

Discourse thus relates to language, and a primer on narrative policy analysis was written by Emery Roe (1994). But there are also roots in institutionalism: "From this perspective acid rain is a story-line that, potentially, brings out the institutional dimensions of the ecological problematique." (Hajer 1995, 265). This means that the author has an analytical interest in how discourse is structured or embedded in society, while at the same time it structures society - in other words, not unlike Giddens' ideas of structuration, which has the concept of institution at the core of the analysis (Giddens 1984).

Speaking metaphorically, the deliberative policy analysis brings the scholar down from the ivory tower to the people. The institutionalists and most governance theorists kept the privileged status of researchers to analyze currents in society and to work for a better theoretical understanding of how policy came about. But the 1990s gradually saw changes in the social sciences, which meant that the privileged and isolated status of scholars was meant to be revoked, and their roles to be changed from observers to participants in research processes that stressed dialogue instead of observation and reporting (Guba and Lincoln 1989; Erlandson, Harris, Skipper et al. 1993). Thus, the advocates of change mirrored societal developments towards more public participation in policy processes in their own research practices: "... a close practical and conceptual connection exists between a

post-positivist policy analysis and today's decentered world of governance" (Hajer and Wagenaar 2003, xiv).

This statement, then, reflects that, in most Western countries, the public sector has been opened up for more participation in policy processes. One may doubt the sincerity of this (Miller 2002, vii-viii), but measured on the surface - by the sheer growth in the number of new channels for participation - this is a fact (OECD 2001). In policy analysis, this has consequences for the role and use of expertise (Fischer 1999) which increasingly becomes part of an ongoing discourse with less and less elevated status for policy analysts; instead they have to make their points of view understood by a broader public. Deliberation also means that organized interests get more legitimate access to the policy process, but in the light of the research on institutionalism and governance, that is hardly surprising. But the consequences for the roles of ordinary citizens may be more profound, in that citizens get access to participate in ways that earlier on might have been seen as counterproductive to an efficient public sector. Some of the development may be conceptualized as empowerment of citizens (Sørensen 1997); an interesting research question is to what degree formal rights to participate actually are brought into use for influencing policy decisions. If that is the case, other researchers speak of a strengthening of social capital in society (Putnam, Leonardi and Nanetti 1993). In more radical versions, one can say that the citizens decide about the future of their communities (Ostrom 1995) instead of, for example, relying on a benign but bureaucratic welfare state.

The research, then, stresses the features of deliberation, dialogue, collaboration and mediation. Much of it should be understood as part of the scientific development towards postempiricist social science. Empiricists, or traditional policy analysts, have tried to minimize social and interpretative judgments, postempiricists recognize their basic, constitutive role in any form of analysis (Fischer 2003, 226). Postempiricist policy analysts do not speak truth to power, they collaborate with power holders and mediate with diverse interests. In that sense, they have become part of the network society.

NETWORK ANALYSIS - A STATUS

Where is network analysis at now? We have followed a historical trajectory from rational policy analysis to analysis integrating a broader conception of the processes involved. So scholars involved in such analysis have all participated in a battle between rational decision-making and muddling through - maybe not in the open, and maybe not even as a conscious choice by the analyst, but still the theme of doing things rationally or not pops up everywhere. At the very least, as a pedagogic means to illustrate what we are not doing. More seriously, as a theme that has to be addressed in order to persuade the reader that rationalism is or is not applicable in this case - and it seems that rationalism is on the decline.⁵ That is not to say that Lindblom's mutual adjustment is the only answer to non-rational demands. But his ideas are hovering over many of the solutions we face. The outline given above about the changes in policy analysis stresses a transition towards network analysis, but that does not mean that former types of policy analysis are gone. "Network" is still a debated term, to say nothing of network analysis. Have we not seen it all before? Of course we have in some sense, our predecessors in political analysis were not idiots. In a more narrow sense, things are new, but, as Keith Dowding (1994) has shown, the literature then tends to become bogged down because of definitional fights between academic camps. So more energy is used for fights than for sensible analysis of one's own results as well as of the results from colleagues. Christopher Pollitt's critique that there are tendencies towards ahistorical comprehension, and that it is hardly proven that networks form a new and better type of democracy, are also worth considering (Pollitt 2003, 65-67). That said, I think that one should interpret the focus on networks and process as a consequence of a more and more complicated, or at least comprehensive, policy process everywhere in the Western world. The point, then, does not concern the exact definition of the phenomena under scrutiny, but the general recognition that we are observing qualitatively different policy processes. The challenge is to show how they differ from the past, and what measures then should be taken.

What, then, may we find in common among the different camps of policy network analysis? It seems to me that one main distinguishing feature of the advanced policy analysts of today is that they apply a *new* version of *pragmatism*. The classic Deweyan pragmatist was interested in theory as a vehicle for promoting change in societal affairs. The pragmatist of today has less faith in theory. To put it crudely, pragmatists of today are interested in conceivable practical consequences of affirming an idea or taking an action - consequences that are satisfying and desirable in the light of power relations (Cherryholmes 1999, 124-125). They follow a pragmatism which is anticipatory and hence inductive and fallible; today's pragmatists construct their reality socially and perform analysis critically; they are skeptics and hence not believers of a final Truth. They see the world as contingent, and thus they are contextualists. They are holists and reject distinctions like fact/ value, objective/subjective, theory/practice, ends/ means, analytic/synthetic. This *credo* I will call the "new pragmatism." It certainly covers the postpositivists within policy analysis, and to a degree it covers many other network analysts - of whom some still subscribe to a distinction of fact and value, and of objective and subjective.

New pragmatists do not see *evidence* in the classic sense of getting the data straight, preferably in some version of statistical analysis. They beg the question of the existence of a network and involve themselves in processes of argumentation and power - resource exchange or not, "science" or not. They base their action on some form of hermeneutic analysis, and many of them do not mind using supplementary information based on some strand of positivism. Nevertheless, they see such evidence as one out of many channels of information for their craft. Hoppe characterizes two types of analysts which I would count under the new pragmatists: Forensic policy analysts and participatory policy analysts (Hoppe 1999, 207-208).

The *forensic* policy analysts see a cacophony of competing thinking styles, ideologies, paradigms, perspectives, etc. in policy analysis, and hence they advocate for first distinguishing between the various sorts of frames of thinking that can be found pertaining to a policy problem. Then they want to create a new sort of frame, combining plausible and robust arguments (frame-reflection, following, for example, Schön and Rein (1994)) into a new policy design. This may be done with various stakeholders and hence the barrier between analyst and policy-maker is torn down (Guba and Lincoln 1989; Erlandson, Harris, Skipper et al. 1993) in a creative process of finding solutions to the problems at hand. As with Lindblom, the differences between means and goals disappear in a world of continuous change.

The *participatory* policy analyst may be in agreement with the forensic analyst, but does not stop with the question of how to understand policy frames. S/he broadens the perspective even more and emphasizes the importance of involving citizens in the policy processes - to include local knowledge, to make obvious themes of ethics, or to cut through disagreements among experts. Or, to make up for the increase in distance between politicians and the demos, and the strengthening of the administrative apparatus (Fischer 2003, 15–16). Some critics argue that the quality of the debate and/or solution is not guaranteed by citizen involvement. The counter question of the pragmatists is: Who is to be the umpire of such quality? For new pragmatists there is no absolute standard to use as truth medium.

Analysts following the rational paradigm cannot possibly agree with this. Followers of Lindblom would feel closer, particularly since science is not awarded any pedestal, but probably they would package this form of truth with a conception of the political process which creates winners. Those winners, then, are in a position to define the truth for the time being, that is until some one else comes into power. Cynical, maybe, but political analysis never was for someone with a feeble heart.

NOTES

1. The author wants to thank Anders Berg-Sørensen, Allan Dreyer Hansen, Eva Sørensen, Jacob Magnussen and Peter Triantafillou for helpful comments on a draft version.
2. Not all users of sequential models adhere to the strictly rational version, though. For instance, Wildavsky wanted us to speak truth to power, but his own model of decision-making was less demanding than the rational version, he was closer to incrementalism.
3. Dror is no naivist. In the second edition of his book (Dror 1983), he makes explicit his history of learning as an Israeli scholar and a Zionist in political terms, and he discusses the values that come out of such a past, thereby setting what he considers an example for other scholars involved in policymaking. He thus follows the stance that: although no one is value free - which would be desirable - one can make up for it by making values explicit to the reader.
4. From the introduction to *Democracy and Market System*: "I cannot think of any human accomplishment that unambiguously and undeniably could not not have been achieved without social science." (Lindblom 1988,21)
5. If one tries to get an overview of university course literature on policy analysis, it seems that rational and statistical analysis dominates - [Amazon.com](http://www.amazon.com)'s three most popular books on policy analysis are Bardach (2000), Weimer, Vining and Vining (1998) and Patton and Sawicki (1993). But in conferences and anthologies purporting to mirror the state of the art, such techniques do not take many pages.

Further Readings

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