

'Where You Stand Depends on Where You Sit!'
Linking Different Perspectives on Institutional Change

Christoph Knill

Max Planck Projektgruppe
"Recht der Gemeinschaftsgüter"
Poppelsdorfer Allee 45
D – 53115 Bonn
tel.: 49-228-91416 30
email: knill@mpp-rdg.mpg.de

Andrea Lenschow

Universität Salzburg
Senatsinstitut für Politikwissenschaft
Rudolfskai 42
A - 5020 Salzburg
tel.: 43-662-80446602
email: andrea.lenschow@sbg.ac.at

Paper to be delivered at the ECSA Sixth Biennial International Conference,
Pittsburgh, June 2-5, 1999.

'Where You Stand Depends on Where You Sit!' Linking Different Perspectives on Institutional Change

1 Introduction

Different conceptual lenses lead analysts to different judgements about what is relevant and important. (Allison 1971: 253)

While the so-called new institutionalism has become a dominant explanatory paradigm in political science, it does not constitute a single and coherent body of theory, but comprises many different streams of argument. In general, a distinction is drawn between the three approaches of historical, sociological and rational choice institutionalism. Although sharing a basic common assumption, namely *that* institutions do matter, there exists a variety of conceptions of *how and why* institutions make a difference. The varying institutional approaches differ crucially in their conception of institutional impacts on strategies and interests of actors, implying varying expectations on institutional creation and change (Checkel 1998; Hall/Taylor 1996; Immergut 1996; Thelen/Steinmo 1992).

In view of these different, partly competing approaches, the question of how to develop a common theoretical ground for a more comprehensive and integrated institutional framework is currently the focus of many studies (cf. Hall/Taylor 1996; Nørgaard 1996; Aspinwall/Schneider 1997). However, while these studies provide important and detailed insights into the theoretical differences between varying institutional concepts, little progress was made to establish theoretical linkages between them. Given the different scientific world views, time horizons, definitions of institutions, conceptions of institutional impacts as well as the varying explanations of institutional change and persistence underlying different approaches in the literature, these scholars seem to envision a synthesis solution where the different schools give up extreme positions and agree on some sort of middle-ground. For instance, Hall and Taylor suggest "if the most

extreme assumptions of each school's theoretical position are relaxed, they share a great deal of common analytical ground on which the insights of one approach might be used to supplement or strengthen those of another" (1996: 22-23).

In contrast to these compromise solutions for combining different institutional approaches, this paper suggests another path for their conceptual linkage. We argue that, despite and - paradoxically - even because of their theoretical variance, different approaches provide complementary rather than competing explanations, since they tend to focus on different aspects of the same empirical phenomenon. Confirming Allison's important insight from the early 1970s, we observe that they evaluate the same development from different analytical levels, applying different scales to measure institutional change. The detection of path-dependent developments by one approach and revolutionary transformations by the other must therefore not necessarily reflect theoretical contradiction. It may well be linked in a complementary way, if different analytical levels are explicitly taken into account. In short, variances in theoretical assumptions and expectations, when linked to distinctive analytical levels for the evaluation of institutional change, are no obstacles for the integration of institutional approaches, but even favor complementary explanations.

To elaborate on our argument, this paper is structured as follows. In section two, we present the theoretical background for our assumptions. In light of their differing assumptions and concepts we explore why different institutional approaches tend to evaluate political outcomes from different analytical levels and how these perspectives can be linked in a complementary way. The validity of our theoretical considerations will be illustrated in sections three and four. The analytical and methodological considerations underlying the selection of our case studies is developed in section three, while empirical evidence is provided in section-four. Section five summarizes the results and draws general conclusions.

2 The Argument: Complementary Approaches to Institutional Change

It is quite surprising that the institutional literature emphasizes the varying theoretical perspectives dominant in the different institutionalisms, such as assumptions on institutional creation and change (cf. Thelen/Steinmo 1992; Hall/Taylor 1996; Nørgaard 1996; Aspinwall/Schneider 1997), but so far has given little attention to another characteristic that seems to be of at least equal importance: the fact that, in many instances, different institutional approaches explain the same cases not only on the basis of distinctive theoretical assumptions, but also from varying levels of analysis.

As we will show in the following section, the consideration of these differences in the analytical frame of reference provide the basis for a complementary link of institutional approaches. As there is a close connection between theoretical assumptions and analytical perspective, theoretical variety may even be seen as a prerequisite for the development of such links. In this respect our argument is in stark contrast with the general calls for theoretical integration; rather we seek complementarity of explicitly different perspectives. To elaborate on these analytical links in closer detail, we start with a brief overview of the basic features characterizing varying institutional approaches.

2.1 Competing Explanations of Institutional Change? Interest-based versus Institution-based Approaches

At a general level, the different theoretical variants under the heading of the new institutionalism can be grouped into *institution-based* and *interest-based* approaches. They are characterized by distinctive theoretical assumptions on institutional impacts and, accordingly, varying expectations on institutional change. Moreover, both approaches reveal mutual strengths and weaknesses in terms of their explanatory power.

Institution-based Approaches: Institutions as Independent Variable

Institution-based approaches, such as sociological and historical institutionalism, emphasize the role of existing institutional configurations as *independent explanatory factors* in the analysis of political outcomes and institutional development. Institutions not only enable and constrain specific strategies and choices of actors, but also influence the way actors conceive of their ultimate interests in the first place. Institutions do not simply affect the strategic calculations of individuals, but also their most basic preferences and very identity (March/Olsen 1989; DiMaggio/Powell 1991; Thelen/Steinmo 1992). According to institution-based approaches, existing institutions therefore "matter very much". In view of their overwhelming impact, they are considered as the crucial explanatory factor in shaping political outcomes and institutional development.

The attribution of far-reaching structuring impacts to institutions favors conservative expectations on institutional development. Institution-based approaches emphasize the stability and continuity of institutions. As a general rule, institutional adaptation remains incremental or path-dependent, without challenging well-established core patterns of existing arrangements. It is only in exceptional cases of fundamental performance crises or external shocks, that the discrepancy between exogenous pressure and adaptive capacity is becoming too big and old continuities are given up in order to create new continuities (Thelen/Steinmo 1992; Krasner 1988).

This way, institution-based approaches provide us with rather clear expectations concerning the scope and mode of institutional change. However, by claiming that institutions influence both strategies *and* interests of actors, the parsimonious model offered by institution-based approaches risks explanatory determinism, ignoring the independent influence of actors and their strategic interaction on political outcomes (Mayntz/Scharpf 1995).

Interest-based Approaches: Institutions as Intervening Variable

Interest-based approaches, as they are represented by rational choice variants of the new institutionalism, attach a less important explanatory role to institutional factors.

Institutions still matter, but they do so basically as an opportunity structure which constrains and enables the behavior of self-interested actors. Institutions limit the range of strategic options that are available to actors, however - in contrast with institution-based approaches - without affecting their preferences over outcomes, ultimate goals and interests. The problem of institutional change is approached from a perspective of methodological individualism. This means that human action is the cornerstone of any social science explanation. Institutions operate as an *intervening variable* between the interests of actors and their behavior which are considered as the independent factors accounting for institutional change (Moe 1990; Knight 1992).

Interest-based approaches, taking account of the independent explanatory role of different interests and strategic interactions, are not biased in favor of distinctive patterns of institutional development, but can equally well explain both institutional dynamics and persistence. Hence, interest-based explanations do not face the problems of determinism in the same way as institution-based approaches do. Their openness, however, constitutes at the same time an analytical weakness. A sound interest-based explanation would need to account for high empirical complexity. In practice, the challenge of an accurate attribution of resources to the diverse set of actors involved, and hence, an accurate *ex ante* assessment of the conditions for institutional change, is enormous. In this respect, the more parsimonious institution-based model is superior but, we shall argue below, can be fruitfully complemented with the interest-based perspective in order to also deal with its weakness of implicit determinism.

This brief review of the basic assumptions and expectations underlying varying institutional approaches seems to confirm the general assessment of competing concepts which offer little leverage for theoretical integration. It is against this background that scholars complain about the theoretical arbitrariness characterizing the current state of the art, with researchers selecting those approaches which fit best with their empirical case (Aspinwall/Schneider 1997, 2). In contrast to this assessment, we argue that theoretical variety does not necessarily inhibit the complementary link of different approaches, as long as their varying analytical perspectives are explicitly taken into account.

2.2 Complementary Rather Than Competing: The Varying Explanatory Scope of Different Institutional Perspectives

Starting from the observation that the classification of institutional change as path-dependent or path-breaking is basically a matter of the explanatory perspective from which institutional developments are assessed, we argue that there exists a close link between the distinctive analytical level for the evaluation of institutional change and corresponding theoretical expectations characterizing different institutional approaches. Since different explanatory perspectives imply the explanation of different aspects of the same empirical case, we are able to link institution-based and interest-based approaches in a complementary rather than competing way.

Path-dependent or Path-breaking? A Question of Perspective

The extent to which we might detect path-dependent or path-breaking institutional transformation is strongly affected by the measurement rod against which the developments under study are evaluated (Knill 1999). In this context, we can distinguish at least three analytical levels which are characterized by different scales, namely, the macro-level or what Hall (1992) refers to as governing institutions (including general characteristics of the state tradition, the legal system, the political-administrative system); the meso-level (relating to sectoral institutions); or the micro-level (which refers to particular organizational arrangements within sectoral institutions).

When evaluating the degree of institutional change at the micro-level against the background of existing organizational arrangements, for instance, the scope of what might be classified as incremental change is rather narrow. Hence, change evaluated from that perspective is more likely to be characterized as path-breaking or fundamental. When observing the same transformations from a sectoral perspective, however, one might come to the conclusion that this development is still path-dependent, given the broader institutional context at the sectoral level which encompasses a certain variety of institutional arrangements at the organizational level. On the other hand, it might well be the case that, even when sectoral observers speak of fundamental, revolutionary, or historical changes, the assessment of these developments from the level of macro-

institutions suggests that sectoral revolutions are piecemeal and incremental routine adaptations. The privatization of the state-owned utilities, for instance, might constitute a sectoral revolution, but still be in line with the macro-institutional context of legal and administrative traditions.

The Link Between Theoretical Assumptions and Explanatory Perspective

The choice of the level of analysis is associated with theoretical implications. Thus, the likelihood that the analysis of institutional developments emphasizes continuity and path-dependency increases with the extent to which institutional transformations are evaluated from analytically more abstract levels, as there is a broader scope of what can be termed as path-dependent or incremental change. For instance, analyses focusing on developments from the general level of governing institutions are more likely to emphasize the independent explanatory value of institutional path-dependence and continuity than studies with a purely sectoral or organizational focus. To be sure, the choice of a sectoral or organizational analytical level does not preclude the detection of path-dependent developments. However, the scope of what is considered as path-dependent is much more narrow, when the degree of organizational change is evaluated from the perspective of existing organizational rather than macro-institutional arrangements.

It is therefore hardly surprising that institution-based approaches tend to take a "bird's-eye view", evaluating institutional change against the background of the macro-context of governing institutions. Immergut (1992), for instance, analyses developments in health politics in light of varying political structures that confront reformers with different institutional veto points. Steinmo (1993) explains the succession of different tax policies by reference to distinctive national political structures. Dobbin (1994) explains cross-national variation in 19th century railways policy by the impact of varying conceptions of the state and the market in different countries. In other words, the levels of empirical observation and analytical evaluation are not identical. Given the selection of this abstract analytical level, the emphasis of historical approaches on persistence and continuity bears much theoretical plausibility.

This is not to say that approaches, which emphasize the importance of institutions as

independent explanatory factor, automatically adopt a more systemic perspective. There are many sociological studies which are explicitly concerned with the organizational level (March/Olsen 1989). However, when taking an organizational focus, these studies evaluate developments on lower, for instance, departmental levels in light of the more abstract, in this case organizational, perspective.

By contrast, interest-based approaches, which conceive of institutions merely as an intervening variable structuring strategic interaction, tend to assess institutional changes "on the spot", i.e., the levels of empirical observation and analytical evaluation are identical. Changes in the structure of regulatory agencies, for instance, are not evaluated in light of the macro-institutional context, but by reference to the distribution of power between different actors situated in the respective regulatory environment (Moe 1990). More generally speaking, institutions are explained by reference to the benefits they imply for the actors affected (Hall/Taylor 1996, 20). In view of this analytical focus, we can understand the openness of interest-base approaches with respect to their expectations on the scope of institutional change.

In view of the general preference of different institutional approaches to evaluate change from different analytical levels, there is the risk that the varying approaches ignore each other's contributions and analytical insights. This problem becomes particularly prominent, when different institutional explanations are compared without acknowledging that they operate from distinctive analytical reference levels. On the other hand, as will be shown in the following, the use of different levels of analysis—when explicitly acknowledged—might serve as important starting point for linking deterministic and indeterminate approaches in a complementary way.

Combining the Varying Explanatory Scope of Institutional Approaches

We argue that approaches relying on institutions either as independent or intervening explanatory factor analyze different elements of the same empirical phenomena. They are characterized by different explanatory scopes which are complementary rather than competing. On the one hand, the determinist bias of institution-based explanation can be reduced when considering their preference for the evaluation of empirical developments from a more abstract analytical perspective. In claiming, for instance, that sectoral

developments are constrained by the general institutional context, these approaches still leave a broad range of options for sectoral change. On the other hand, macro-institutional rules do impose certain constraints on sectoral choices, hence partly reducing the openness of rational choice institutionalist explanations. Although not determining the content of sectoral changes, the range of sectoral options is limited by the macro-institutional context.

While the institution-based perspective allows to delineate the range of sectoral options in light of the general institutional context, it is not capable of explaining if sectoral change takes place at all and which concrete option is selected. To answer these questions we have to step down on the ladder of abstraction, relying on the interest-based perspective of rational choice institutionalism. Hence, both approaches are characterized by distinctive, albeit complementary, explanatory scopes.

The acknowledgment of complementary analytical perspectives not only helps to avoid the shadowboxing between advocates of institution-based and interest-based approaches in cases where these approaches come up with contradictory interpretations of institutional developments. It also reveals that potential agreements between both approaches with respect to these interpretations are illusory, as they analyze different aspects of the same empirical case. The assessment of path-dependence from the macro-level perspective or from the sectoral perspective is based on different analytical criteria, and hence means different things.

In the following sections, we will illustrate our theoretical considerations with empirical evidence from five policy areas. In particular, we will demonstrate (a) why interest-based and institution-based approaches arrive at differing evaluations and explanations of institutional change as a result of their varying analytical perspectives, and (b) how these different explanations can be linked complementarily. Before we start with the presentation of our empirical evidence, we will briefly introduce the methodological background for the selection of our cases.

3 Method and Case Study Selection

In order to illustrate this basic argument we will review several studies on policy change. The case studies are drawn from different policy fields – ranging from policy evolution in the global context to negative market integration as well as re-regulatory efforts on the part of the EU. Specifically we look at the developments implied in telecommunications and railways liberalization, transitions or retrenchment of the welfare state, and regulatory change in social and environmental policy. In all areas we note different arguments with respect to the scope of change. While some argue that revolutionary change is taking place, others will insist that change remains well within existing structures and traditions. These contrasting evaluations tend to be cast as theoretical debates, placing institution- and interest-based approaches in explanatory competition. It is not our intention to *test* the respective arguments but to show that the explanatory impact of different levels of analysis are frequently neglected with the consequence of muddled debates.¹ Hence, it may happen that scholars, using different explanatory perspectives, engage in quite polarized debates while speaking about different phenomena – effectively a case of shadowboxing. Equally, we may observe that authors seem to agree on the question of policy change without noticing the missing empirical basis for comparison – i.e. cases of illusory agreements.

In order to differentiate this basic methodological point further we introduce two control variables: *adaptational discretion* and the *interest constellation* for change. With these control variables we account for the fact that, regardless of the analytical perspective adopted, policy change is a response to political pull and push factors which influence the actual level of change and hence the empirical basis for any argument. First, depending on the actual interest constellation, the likelihood of contradicting assessments of institution- and interest-based approaches varies. Second, depending on the actual institutional challenge, which is implied in the adaptational discretion left by the respective policy, the institutional hypothesis of change resistance carries more or

¹ Therefore the "case studies" will not give a complete overview of the policy developments in the given field and all explanatory variants; they will be used with methodological rather than explanatory intentions.

less explanatory leverage in the attempt to tell the whole story.

To elaborate further, *adaptational discretion* makes reference to the political push for change. International regimes or governance systems such as the EU may develop more or less specific norms and policies with which the member countries have to comply. Assuming a general will to comply (Chayes/Chayes 1993), the push to change existing practices varies not only depending on the "level of misfit" with these externally imposed norms (Caporaso/Cowles/Risse forthcoming; Knill/Lenschow 1998) but also depending on the adaptational discretion left by these norms. An international norm may leave room to operate within existing structures, hence imply little change, or it may impose very specific rules, procedures and structures leaving little discretion to avoid a substantial reforms. Institution-based approaches generally point to factors such as the embeddedness of structures (Granovetter 1985; Krasner 1988) or sunk costs (Pierson 1996a) in emphasizing the constraints to change and hence persisting tendencies. In cases of high discretion these structures or "investments" are hardly challenged, leaving little to be explained by institutional analyses. As institutional constraints are small, the analytical playground will be dominated by interest-based approaches. Cases of low discretion, by contrast, tend to imply high pressure for policy as well as institutional change. In these cases, interest-based approaches will quickly confront in their analysis the constraining effect of institutions for utility-maximizing actors. Hence the context of change is biased in favor of institution-based explanations. In short, with the notion of high or low adaptational discretion implied by a policy change, we note that with the level of *de facto* institutional challenge the attraction of formulating an institutional argument decreases and the empirical cake that is left for interest-based explanation rises and vice versa). Even though empirical reality may influence the respective size of the claim made by the two approaches claim for "their" portion of the explanatory cake, we observe that contrasting arguments are presented by both perspectives – contrasting arguments that can be merged if attention is paid to questions of measurement and scale. Equally, attention to scale will provide greater soundness to the analysis if the two perspectives appear in unity of judgment.

With the concept of *interest constellation*, in turn, we distinguish cases of likely explanatory conflict (where the dominant interests favor change) from those of likely

agreement or ambiguity (if interests favor continuity or suggest no clear direction for policy evolution). 'Interest constellation' controls for the nature of societal pull for change and possible explanatory biases implied here. In order to formulate ex ante expectations, interest-based analyses are dependent on a clear interest constellation for or against policy change. Such interest constellation can be derived from the intensity of the respective interests and the capacity to organize in their defense. In the presence of highly mobilized and capable interests in favor policy continuity we expect no deviation from institution-based argumentation. Since we expect no change on either macro-, meso- or micro-level we did not chose such cases for this paper. Interesting are cases with a clear interest constellation for change. Here the argument is likely to contrast with institutionalist analyses and we will test to what extent these debates constitute an exercise in shadowboxing due to the different measurement scales adopted. Cases with ambiguous interest constellations form a more difficult basis for interest-based approaches and may give institutionalists a home run in formulating ex ante hypotheses. From our methodological point of departure, however, we will investigate whether those interest-based "players" entering the match actually entered the same arena (represented by the same measurement scale) as the institutionalists.

In table 1 we show the four quadrants formed by the two control variables, and the cases we chose to illustrate our argument. Cases of high adaptation discretion and a clear interest constellation for change represented in quadrant one, lead us to expect (seemingly) contradictory assessment by the two approaches with a greater explanatory arena for the interest-based analysts to play on. We chose the liberalization policy in the telecom sector as well as policies to draw back the welfare state to illustrate the type of theoretical debates in such constellation and will analyze whether the expected conflictual debates may actually be exercises in shadow boxing.

In contrast to the telecom and welfare cases, where pressures of the global economy or technological development aside from the socio-political power of business strengthen the position of change oriented actors, the interest constellation in the railway sector is more ambiguous and varies from country to country. The high level of adaptational discretion will leave a greater share of the cake to interest-based analysts. Depending on the precise interest constellation we may find contradictions with the institutionalist line

of argument in some cases and agreement in others conflict. In reality we suspect shadow boxing in the former case and an illusory agreement of the two approaches in the latter.

Regulatory policies – in our case, those formulated by the EU – tend to leave less discretionary room for adaptation. Facing a real challenge institutionalists will nevertheless expect continuity and expect to tell a great part of the story. Two such policies fill the right quadrants of our table. In the case of the Eco-Audit Regulation we find an interest constellation clearly in favor of change as business actors tend to support the regulation and environmental actors may be more skeptical but not in explicit opposition. This constellation will place the interest-based interpretation in likely conflict with the institutionalist view – unless we face a case of shadow boxing once again due to the neglected question of scale.

In the case of social policy and the case of equal pay in particular (in the lower right quadrant), the interest constellation seems to slightly favor continuity-oriented actors, but feminist groups have become increasingly active in recent years. Therefore, we may observe analytical debate over change and continuity even here – unless it may be reducible again to a methodological question.

Table 1: Context for Change

	<u>Adaptational Discretion</u>		
	high	low	
<u>Interest Constellation</u>	clear (pro change)	<i>contradiction/leverage for interest-based arguments</i> <ul style="list-style-type: none"> • telecom liberalization • welfare state retrenchment 	<i>contradiction/leverage for institution-based arguments</i> <ul style="list-style-type: none"> • EU environmental policy (Eco-Audit Regulation)
	ambiguous	<i>contradiction or agreement/leverage for interest-based arguments</i> <ul style="list-style-type: none"> • railways liberalization 	<i>contradiction or agreement/leverage for institution-based arguments</i> <ul style="list-style-type: none"> • EU social policy (Equal Pay Directive)

4 Examples of Shadowboxing or Illusory Agreements

4.1 High Adaptational Discretion and Clear Interest Constellation: The Cases of Welfare State Retrenchment and Telecommunication Reform

The Retrenchment of the Welfare State

The crisis of the welfare state with its policy consequences is an issue of high contestation in the literature. Some argue that we face a process of a fundamental retrenchment of the welfare state due to the impact of heightened competition in an increasingly global market (cf. Martin/Schumann 1996; Streeck 1995). Others may paint a less gloomy picture, but nevertheless anticipate fundamental changes converging towards a less universally oriented welfare state model (Rhodes 1995) or towards new organizational forms in the provision of services (Schwartz 1994). Other scholars seem convinced, by contrast, that no major cut-backs or a radical restructuring of the welfare state are occurring or should be expected (Pierson 1996b; implicitly also Skocpol 1992).

At first sight, the economic and political environment seems to support those arguing that radical change is occurring. The business community tends to be not only in favor of reducing universal welfare services and an active involvement of the state in the economy but is also organizationally best prepared and capable to gain access to the decision making level. Equally, among policy makers there has been a noted shift of preferences towards more neo-liberal policies (cf. Moravcsik 1991 for the European case). Using the Olsonian notion of concentrated versus diffuse interests (1965), the concentrated interests appear in favor of retrenchment while the defenders (and beneficiaries) of the welfare state are at a disadvantage because they are more diffusely organized and weaker in terms of their economic and political resources.

An exemplary text that supports the retrenchment argument has been authored by Richard Clayton and Jonas Pontusson (1998). They attempt to show that "major changes have indeed occurred in the scope and organization of public welfare provision not only in the U.K. and the U.S. but across the OECD area more generally" (69). They explain the changes on the basis of an interest-based model, arguing that "societal and coalitional alignments have changed" (98) and situate their analysis in opposition to "Pierson's widely cited *World Politics* article of 1996, providing the clearest and most compelling presentation of the case for welfare state resilience. Using this article as a foil, [they] seek to ... sketch an alternative approach to the study of welfare states in transition" (67-68).

The cited article by Paul Pierson (1996b) argues indeed that despite economic, political and social pressure "it become difficult to sustain the proposition that these strains have generated fundamental shifts" (173). In contrast to Clayton and Pontusson, Pierson's analysis is rooted for the most part in the institutionalist literature. Acknowledging the role of pressure politics, interest group strength and political strategies of politicians seeking to be reelected, he maintains that "[w]hether these efforts succeed may depend very much on the structure of policies already in place" (147), hence the structuring effect of policy legacies creating new interest constellation as well as organizational path dependencies. "The growth of social spending has reconfigured the terrain of welfare state politics. Maturing social programs produce new organized interests... The networks associated with mature welfare state programs constitute a barrier to radical

change... [because o]rganizations and individual adapt to particular arrangements, making commitments that may render the cost of change ... far higher than the costs of continuity" (175). Furthermore he point to the "generally conservative characteristics of democratic political institutions" particularly "where power is shared among different institutions" (174).²

Retrenchment or resilience – and who to believe? As outlined above, we will neither test the empirics nor seek out holes in the respective arguments. Rather we want to find out whether the theoretical contest can be resolved by closer attention to measurement and scale. The two cited studies are notable examples where this issue is not entirely ignored. Pierson acknowledges that "[m]easuring retrenchment is a difficult task" (157) and "[e]stablishing what constitutes 'radical' reform is no easy task" either (fn. 39). Clayton and Pontusson state even more pointedly that the "literature on welfare state retrenchment raises the thorny question of how to distinguish radical change from incremental adjustment" (69) arguing that Pierson is at fault due to his chosen "narrow" interpretation of change. Rather than putting one or the other author at fault, we suggest that looking through different analytical lenses they both have identified different dimensions of change (or persistence) which may be gainfully combined to a greater picture.

Pierson combines in his analysis aggregate data of government spending over past two decades (social security transfers of % of GDP, government outlays as % of nominal GDP and government employment as % of total employment) as well as data on spending patterns in different program categories (merit goods and income transfers). On the most aggregate level he observes hardly any change; on the program level he notes change in some categories, though not in all countries. The general perspective is one focusing on the departure from previously established patterns. Clayton and Pontusson, in turn, view the services rendered from the perspective of the individual or small group. They make three basic arguments: First and most prominently, from the actor- and society-centered perspective they notice changed structures of need ("context of rising social inequality and insecurity") and the increasing misfit of old welfare state

² Thirdly he points to the high electoral costs associated with retrenchment initiatives. In this respect his argument is actor centered since the strategic behavior of actors is perceived as individually based rather than institutionally derived.

programs in this new social context. Their argument is less that the overall structure of the welfare state has changed but that the welfare state performs increasingly poorly in a context of socio-economic change. They measure change of impact rather than change of structure. Secondly, to the extent that Clayton and Pontusson focus on the structure of the welfare state, they disaggregate further than Pierson does and investigate "how the allocation of resources among individual programs might have changed" (70) noting a general reallocation from universal to means-tested programs. Thirdly, from the operational perspective they observe that "public sector reform has increasingly emphasized cost reduction... Exemplifying a general trend among OECD countries, the administrative mechanisms of the Swedish welfare state increasingly mimic those of private corporations" (92). Such intra-organizational changes escape Pierson's macro-level analysis.

From a normative perspective of an inhabitant of a welfare state the analysis by Clayton and Pontusson may have more appeal. Furthermore, the high discretion allowed for welfare state reforms, leave relatively little room for institutionalists to emphasize the conservative power of existing structures. But that does not invalidate Pierson's investigation. Rather his study might complement the former in suggesting some, however general, limits to further welfare state reforms and cutbacks for many individual beneficiaries.

Liberalization of the Telecommunication Sector

As a second case in the high adaptation/clear interest constellation quadrant we consider the recent global reform wave in the sector of telecommunications and the different interpretations offered by institution- and interest-based explanations. Whereas the telecommunications industry for a long time was considered as a classical case for a public monopoly, most industrialized countries (including the US, Japan, Britain, France, Germany and Italy) have broken up the former public utilities and transformed them into competitive markets, implying the privatization of state enterprises and the establishment of regulatory regimes for market control (Schneider 1998; Vogel 1997).

The regulatory regimes for market control offer wide discretion for adaptation. Even the relevant EU legislation has focused on the removal of barriers or "negative integration"

(Taylor 1983) and established merely a framework towards achieving the goals of liberalization. The EU Directive does not impose specific procedural and structural conditions. Turning to the general constellation of interests, global competition and technological innovations have put pressures on industry to support liberalization; such reform equally resonates with the neo-liberal turn in (European) policy making. In other words, the two control variables suggest a relatively high chance for change in this sector and relatively little to tell for institutionalists.

This indeed seems the dominant interpretation in the literature. Volker Schneider (1998), for instance, speaks about a "big bang" of institutional reform" starting in the US and creating a "chain reaction towards global deregulation and liberalization" (17, 19). Caught by the "winds of change, which ... blew the old order in telecommunication away" (20), all three countries studied (Germany, France, Italy) experience the almost complete liberalization of their telecommunications sector, the privatization of their former public operators and the introduction of independent regulatory agencies taking over the tasks of monitoring, licensing and regulating.

Schneider arrives at his conclusion of fundamental change from an interest-based analytical perspective. He argues that rapid technological innovation combined with the globalization of markets has significantly altered the powers, resources, costs and benefits between sectoral actors, hence challenging existing institutional equilibria in favor of new arrangements. National institutions only affected the process of change, but had no impact on the outcome of the reforms which show a converging tendency across countries (Schneider 1998). Approaching the issue of telecom liberalization from the viewpoint of the involved actors, he "measures" the degree of change basically from a sector-based perspective. On this level of analysis the institutional transformation are plausibly characterized as path-breaking.

Vogel (1997), however, comes to seemingly quite different conclusions with respect to the global trend to converge and the scope of change occurring. He points out that the arrangements to regulate the privatized telecommunications sector look quite different in Britain and Japan. Whereas in Britain privatization is accompanied by a pattern of "competitive deregulation", the Japanese arrangements reveal a more protectionist approach based on "competitive re-regulation". Both reactions to the universal challenge

resonate well with the respective national bureaucratic traditions, state-society relations, governmental structures as well as prevailing ideas about the appropriate relationship between state and market. These factors are responsible for the continuity Vogel observes behind national processes of liberalizing the telecommunications sector.

Again the question appears to be "who is correct?" "are we confronted with continuity or change?". The two analyses suggest a theoretical debate. While Schneider differentiates his analysis from institution-based accounts, Vogel explicitly discards interest-based explanations. Comparing Britain and Japan he notes that "the alignment of interest groups was actually similar in the two countries and therefore cannot account for the differences in reform outcomes" (178-9). Schneider perceives the institutional constraints weak and common market pressures high, inducing rational actors to pursue similar reform pattern across countries. Vogel, by contrast, argues that "the feedback from the marketplace is ambiguous enough to allow countries to pursue distinct strategies" (181) in line with national institutions and traditions.

Looking more closely, we think that the two authors are engaged in shadow boxing. In Vogel's historical-institutionalist interpretation change is measured not from a sectoral but from a macro-institutional perspective. From this higher level of analysis, sectoral changes are characterized as "appropriate adaptations" in the light of the particular macro-institutional background of state and administrative traditions. Rather than emphasizing institutional convergence, he points to the path-dependency of sectoral changes. Schneider's measurement of change is "down to earth"; ignoring the continuing embeddedness in greater institutional structure and traditions, he notes the indeed fundamental reforms of the sector. In the end, both are correct in pointing to global convergence, on the one hand, and national continuities (and therefore persisting cross-national variation) on the other hand.

Similar to the development the welfare state, meso- and micro-level changes in an economic sector have a great impact on the affected individuals or societal groups in the short- and medium-term. And the question may be raised, what is the political or socio-economic relevance of macro-institutional continuity. But, in the longer term, if not earlier, the macro-institutional framework will delineate lower-level evolution and shape market outcomes. Hence, there are good reasons to keep both perspectives in mind.

4.2 High Discretion and Ambiguous Interest Constellation: The Case of Railways Liberalization

Railways were long considered a natural monopoly because of high fixed sunk costs in terms of investment and rolling stock. Consequently, they were traditionally dominated by single public enterprises owning both infrastructure and providing services in most European countries. In view of the widespread acknowledgment that the European railways faced a profound financial crisis and subsequent, albeit small, steps of the EU towards liberalization, we saw political initiatives to railway reform in many European countries from the early 1990s onwards.

While the rather symbolic character of European legislation provided high institutional discretion for domestic adjustment (Knill/Lehmkuhl forthcoming), the constellation of domestic interests was characterized by a less clear orientation towards change than in the above-mentioned case of telecommunications. In view of the ambiguous interest constellation, which varied from country to country, interest-based and institution-based interpretations of national reform developments offer both contradictory and concurrent evaluations; i.e., we find examples of shadowboxing and illusory agreements between both approaches.

The studies of Knill (1998) and Lehmkuhl (1998) on the railway reforms in Britain and the Netherlands provide good examples for the complementarity of seemingly contradictory interpretations. Each of them explicitly evaluates the reform developments in one country from both analytical perspectives.

Applying a sectoral measurement rod for the evaluation of institutional change, both authors emphasize the path-breaking character of the railway reforms in both countries. In view of the complete transformation of British Rail from public into private ownership (including infrastructure), the far-reaching organizational fragmentation, and the introduction of different forms of competition (cf. Zahariadis 1996), Knill concludes that these developments "without doubt mark a watershed in the history of British railways" (20). A similar assessment is suggested by Lehmkuhl for the Dutch development, pointing to the splitting-up of the formerly integrated railways into different businesses as well as the separation of private businesses (such as freight

transport) and public businesses (infrastructure). Both authors point out, that existing institutional structures in Britain and the Netherlands provided those actors in favor of far-reaching changes with sufficient opportunities to challenge the position of interest coalitions (in particular the national railways industry) in favor of only incremental adjustments.

However, the assessment of path-breaking sectoral developments is only one part of the story told by both authors. Similar to Vogel's (1997) analysis of telecommunication reform in Britain and Japan, they point out that - from a more general analytical level - sectoral changes in both countries reveal significant differences which must be understood against the background of different national state and administrative traditions. While Knill points out that the radical liberalization of British Rail, which included the privatization of the infrastructure, reflects the liberal tradition of the British "stateless society" (Dyson 1980), characterized by the supremacy of the market over the state" (Knill 1998, 32; Dobbin 1994), Lehmkuhl stresses the impact of the distinctive Dutch tradition of corporatism which becomes apparent in the distinction and interdependence of public and private businesses in the design of the Dutch railways reform, hence demonstrating "the social and institutional embeddedness" of Dutch state-society relations (Lehmkuhl 1998, 31).

While the case studies on Britain and the Netherlands illustrate the complementarity of competing institutional interpretations, the analyses of Teutsch (1998) and Kerwer (1998) show that the explicit acknowledgment of distinctive levels of analysis underlying different institutional approaches is of explanatory relevance even in cases where interest-based and institution-based explanations seem to agree in their evaluations.

In contrast to the studies on Britain and the Netherlands, Teutsch and Kerwer emphasize the incremental and piecemeal character of German and Italian railway reforms already from the sectoral level of analysis. They argue that in light of numerous institutional veto points those actors in favor of substantial reforms have not been able to successfully challenge powerful vested interests. Thus, in both countries, sectoral changes were restricted to the formal privatization of the national railways, implying no change in ownership, but only in the industry's legal basis.

At first glance, this interest-based interpretation of sectoral persistence seems to be well in line with the expectations derived from an institution-based perspective. However, the explicit acknowledgment that interest-based and institution-based approaches evaluate the same empirical development from different analytical perspectives indicates that this observation of concurrent explanations is illusory, as path-dependence from the sectoral perspective and path-dependence from the macro-institutional perspective refer to different aspects of the same case.

As we have argued above, the institution-based approach only allows to delineate the range of options for sectoral adjustment in light of the macro-institutional context, but is not capable of explaining the concrete form of sectoral change. Whether we find sectoral revolutions (as in Britain and the Netherlands) or sectoral path-dependence (as in Italy and Germany) cannot be determined from an institution-based perspective. Thus, the tradition of strong state intervention, which characterizes the macro-institutional context in both Germany and Italy, only explains certain parts of the sectoral changes in both countries, such as, for instance, that infrastructure will remain in public ownership. The institution-based approach does not explain why – within these macro-institutional restrictions for sectoral choices - we find piecemeal rather than path-breaking changes in the Italian and German railways sector.

4.3 Low Discretion and Clear Interest Constellation: The Implementation of the EU Eco-Audit Regulation

The implementation of the European Eco-Audit Regulation is a good case to illustrate the complementarity of institution- and interest-based approaches in cases of low institutional discretion and a clear interest constellation. Low institutional discretion emerges from the fact that European "market-shaping" policies, such as environmental regulation, generally prescribe distinctive institutional requirements for domestic compliance. In the concrete case of Eco-Audit, these requirements refer to the establishment of a regulatory framework for industrial self-regulation. The Regulation is intended to offer incentives for industry to introduce environmental management systems on a voluntary basis. It defines procedural requirements for the establishment of

internal management systems, which have to be approved by external verifiers. Member states must create competent bodies for the accreditation of the verifiers and the certification of participating companies. In view of the voluntary and self-regulatory character of the Eco-Audit as well as its general reputation to provide a more effective way in order to achieve environmental objectives, the Regulation was supported by a broad actor coalition, including both business and environmental interests. Hence, the case is characterized by a clear interest constellation in favor of domestic adjustment.

Following this setting of our control variables, there is a high potential for shadowboxing between different approaches, with interest-based explanations challenging the persistence assumption of the institution-based approach. To illustrate this point, we refer to contradictory interpretations on the Regulation's impact in Germany, where the traditional interventionist style in environmental regulation was fundamentally challenged by the self-regulatory approach advanced by European legislation.

Thus, arguing from an interest-based perspective, Börzel (1999) points out that the implementation of the Eco-Audit Regulation in Germany led to substantive legal and administrative changes, implying a clear departure from the traditional patterns of interventionist regulation in German environmental policy. Although the German administration initially favored a minimalist implementation strategy by absorbing European requirements as far as possible into the existing regulatory structures, the strong societal pull in favor of "innovative implementation" finally led to fundamental institutional changes, going "far beyond the legal and administrative changes required by the Regulation" (26). The strong support from industry, in particular, resulted from its expectation that in the future authorization and inspection procedures might be "slimmed" for voluntary Eco-Audit participants (Lenschow 1997). As a consequence, we saw the establishment of a German Eco-Audit system which relies heavily on industrial self-regulation with respect to the accreditation of environmental verifiers and the certification of participating companies.

While Börzel emphasizes the path-breaking developments in German environmental regulation from hierarchical top-down intervention towards industrial self-regulation, Knill and Lenschow (1998) arrive at a rather different assessment of this development.

Arguing from an institution-based perspective, they note that the Eco-Audit scheme "corresponds with German corporatist structures in general state-industry relations" (604) and that the "challenge to embedded patterns has indeed been limited" (605). They emphasize that the basic elements of the self-regulatory system set up in order to comply with the Eco-Audit Regulation have a strong affinity to the corporatist arrangements found in the domains of social policy, health policy, education, and labor relations, which are reflected in a whole range of intermediary organizations that partly assume public functions and partly represent private interests. Thus, the professional criteria to be met by the verifiers as well as the guidelines for their supervision are set by a corporatist expert committee consisting of representatives of industry, environmental organizations, trade unions and the environmental administration.

Path-breaking or path-dependent institutional changes in German environmental policy - which of the two interpretations is correct? The problem can be easily resolved when having a closer look at the different levels of analysis underlying both explanations. As both studies depart from different analytical levels, and hence apply different measurement rods for the evaluation of institutional change, their interpretations can be considered as complementary rather than contradictory. Thus, Börzel evaluates the changes in German environmental regulation against the background of previously existing regulatory arrangements in this sector, while Knill and Lenschow assess sectoral changes in environmental regulation from the general perspective of the German administrative tradition. Börzel's finding of path-breaking sectoral developments is therefore well compatible with Knill and Lenschow's emphasis on the continuity of German administrative traditions. Both studies explain different aspects of the same empirical case. While Knill and Lenschow explain the compatibility of sectoral changes with the macro-institutional context, Börzel investigates the concrete content and scope of sectoral changes within the range of option defined by this context.

4.4 Low Discretion and Ambiguous Interest Constellation: The EU Policy of 'Equal Pay'

Most of the discussion around the development of the EU social policy has focused on

the EU level of policy and decision making. While some have noted the acceleration of activities and output in this field during the past two decades and particularly, the instrumental role of the European Commission in pushing the social agenda (Cram 1997; Ross 1994); other have insisted on the limited nature of the European progress in developing a "social Europe" (Streeck 1995; Scharpf 1997). Commenting on the rather different evaluations concerning the EU-level change in this policy field, Gerda Falkner (1998) has formulated a critique on the nature of the debate which corresponds with the intention of this paper – namely, the missing or unsystematic attention to the measurement scale. It makes a difference whether change is measured from a macro-institutional perspective as progress towards establishing a European welfare state or whether the perspective is focusing on the policy-level in a more limited sense (completing legislative proposals and dealing with specific issues, such as safety at work, the establishment of work councils or equal pay for men and women).

In this paper we will focus on the degree of change induced domestically in the implementation of a specific legislation in the field of EU social policy, namely the EU equal pay policy. The degree of administrative discretion provided by this policy has decreased notably during the evolution of the policy. The EU Founding Treaties have formulated the principle "equal pay for equal work" in Article 119 – the interpretation of "equal work" as either "sameness" or "equal in value" was left open, also the scope of "pay" (e.g. in- or excluding social security rights) was not clearly defined, leaving wide discretion for the implementing domestic actors. Through a series of court cases as well as a number of directives based on Article 119 the issue became more and more clearly (and further reaching) defined (for good overviews of the evolution of the policy see Elman 1998; Mazey 1998, Ostner/Lewis 1995), hence it exerts institutional adaptation pressure in most member states. The interest constellation – presenting either a force pushing for actual change in domestic structures or a bloc resisting it – looks rather ambiguous. Put simply (though not necessarily simplified), industry's interest in cheap(er) labor stands against an increasingly mobilized women's movement, with labor unions often internally divided. Hence, the interest constellation does not constitute a strong societal force or "crisis" shaking institutional foundations. Even interest-based analyses will note the (societal) limits to change. Nevertheless, the issue of measurement and scale may further illuminate even a discussion that is not as polarized

as others.

Corresponding to the relatively "conservative" bias in nature of change-inducing factors, studies that emphasize the limited impact of the EU equal pay legislation on domestic practices dominate. Duina (1997) concludes that "[t]he U.K. failed to transpose and apply the [1975] EPD [equal pay directive] properly; Italy transposed the EPD well and practically on time, but could not apply it; France transposed the directive well and applied it fully, although late" (162). He explains these varied national responses from an institutional perspective, arguing that "history, as embodied in national institutions, had determined implementation pattern of directives across member states; by contrast the will of political leaders, national sentiments regarding the EU and the objective efficiency of state machineries have not ... had any real influence over implementation." (157) The for Duina relevant institutions operating as possible constraints during implementation are the legal and administrative traditions (or policy legacies) of a country and the organization of interest groups (in terms of resources, degree of centralization and membership numbers). Taking for granted that women's issues, i.e. a typically rather diffuse interest (Olson 1965; also Pollack 1997), may not be able to induce a path-breaking crisis, Ostner and Lewis (1995) also focus on the conservative impact of policy legacies and argue that the EU legislation has been implemented in a limited fashion not exceeding the boundaries of the structure of gender relations in the member states. Focusing on Germany and Ireland, countries with the deeply institutionalized "idea" that men (and only men) should perform the role of breadwinners, the authors point to the misfit with the "idea" behind the equal pay directive and argue that this misfit is the cause for the very resistant and in the end limited implementation of the directive in these countries. The basis for the final evaluation is the structure of gender relations in society (cf. also Elman 1998) and (in Duina's case) the societal or interest constellation.

Other authors seem slightly more impressed with the impact of the equal pay directive (Hoskyn 1996; Mazey 1998). Mazey writes "the community delivered a shock to national policy systems and helped to create a new policy area at the national level" (131). The "application of the EC equality directives has undoubtedly benefited working women, by providing them with a legal means of redress in cases of sex discrimination.

Moreover, politicians and civil servants can no longer afford to ignore gender implications of welfare and labour market policies...[illustrating] the power of European institutions... to construct new national agendas and to force national political systems to attend to new problems." (132) Mazey is fully aware that national policy traditions and ideas have not been shaken and acted as filters in the implementation process (133); but moving down from such macro-perspective to the scope for action for the individual she notes fundamental changes. The policy that was placed on the agenda and pushed by a feminist advocacy coalition, has subsequently been used by women to better their situation as members of the workforce. Catherine Hoskyns focuses very similarly on specific policy development, small-scale institution-building in this area and the emerging (mostly legal) opportunities for working women. "This meant that there were groups and individuals ready to respond to the fragile but significant infrastructure developing in the European institutions around the women's policy. At the same time, attempts were made to develop transnational links among women, to support, influence and benefit from these new possibilities. Thus there began to be created a 'policy network' around women's issues, springing out of and contributing to the process of incorporation" (124).

In sum, authors approaching the issue from an interest-based perspective (focusing on individuals, groups, coalitions, networks) compare the 'before and after' in the scope for individual action. Depending on the women's competitive position in a pluralist society, they may be able to ensure significant progress on this micro-level of analysis. Authors who approach their analysis from a macro-institutional perspective will measure the impact on a map of policy legacies, legal and administrative traditions and societal structures and arrive at a more skeptical assessment. In cases of misfit (Germany, Ireland, U.K.) they note the persistence of the traditional structures and ideas and the resistance to implement EU directives; they are likely to overlook or interpret as 'minor' the nevertheless emerging new opportunities for women within these old structures. Neither evaluation is 'wrong'; they are drawn on differently scaled but complementary maps.

5 Conclusion

The question we asked in this paper was one of measurement and scale. In particular we tried to establish a link between the evaluation of the extent of institutional change and the theoretical perspective adopted. In short, we argued that interest-based approaches, rooted in methodological individualism, view institutional change from a micro-perspective and tend to perceive change rather than persistence. With respect to cross-national developments and reactions to similar impeti such as EU policies or globalization converging trends receive more attention than persisting diversity. Institution-based studies, on the other hand, use the departure from established meso- or macro-level institutions as the measuring rod for change. Using such smaller-scale map they tend to detect persistence rather than change. Comparing developments in different countries they tend to insist on persisting diversity rather than convergence. In other words: There is a close link between the varying theoretical assumptions of different institutional approaches and their distinctive analytical perspective on institutional change.

In explicitly acknowledging the relationship between theoretical assumptions and analytical perspective, different institutional approaches can be linked in a complementary way, notwithstanding, and even *because of* their varying evaluations and interpretations of institutional change. Our arguments is therefore in stark contrast with recent calls for the theoretical 'merger' of different institutional approaches (Hall/Taylor 1996; Aspinwall/Schneider 1997). Rather than asking analysts to give up their distinct and more extreme perspectives, we suggest that precisely these different perspectives and resulting judgments contribute to drawing a complete picture, including a micro and a macro dimension. In other words, complementarity emerges from the fact that, as a result of their different analytical perspectives, varying institutional approaches explain different aspects of the same empirical phenomenon.

In keeping the whole picture in mind, we can now also be more explicit in defining the explanatory scope of the respective perspectives. The explanatory scope of institution-based approaches is limited to noting the stable macro-institutional structures and the

constraints they impose on the choice among an otherwise wide range of options for change on the micro-level. Institution-based approaches determine political outcomes only in so far as they exclude certain options for adjustment incompatible with the broader institutional context; they do not positively define the concrete outcome at the lower level. Acknowledging these limits is the precondition for breaking the determinist bias often found in institution-based analyses. On the other hand, explaining the concrete political outcomes is the strength of interest-based approaches. Their weakness is a tendency to assume *ex ante* full indeterminacy. Keeping the macro-context in mind, they would be able to reduce the number of options that will reach the arena for political choice. Hence, the explanatory scope of interest-based approaches is limited to the assessment of the concrete outcome emerging from the range of options defined by the broader institutional context.

Notwithstanding the general complementarity of institution-based and interest-based approaches, it has to be emphasized that their relative explanatory scope might vary with the degree of adaptational discretion. The higher this discretion, the more difficult it might be to delineate the universe of potential adjustment options from an *ex ante* perspective. On the other hand, confrontation of existing institutional arrangements with concrete and highly specified adaptation requirements provides institution-based approaches with a better leverage to define the range of compatible and non-compatible adjustment options on the basis of the given institutional constellation. In short, the explanatory "grey area" of institution-based approaches, and hence the explanatory relevance of interest-based approaches, increases with the degree of institutional discretion given in the concrete case under investigation.

Bibliography

- Allison, Graham (1971). *Essence of Decision: Explaining the Cuban Missile Crisis*. Boston, MA: Little, Brown.
- Aspinwall, Mark and Gerald Schneider (1997). *Same Menu, Separate Tables. The Institutional Turn in Political Science and the Study of European Integration*. Paper presented at the 1997 research session of the European Consortium of Political Research, Bergen, 18-21 September.
- Börzel, Tanja (1999). *Why there is no Southern Problem. On Environmental Leaders and Laggards in the European Union*. Paper prepared for the ECPR Joint Session of Workshops, Workshop "Why do Social Actors Comply? Comparing European and International Norms", Mannheim, March 26-31, 1999.
- Caporaso, James, Maria Cowles and Thomas Risse (eds.). (forthcoming). *Europeanization and Domestic Change*. Chicago: Chicago University Press.
- Chayes, Abram and Antonia Handler Chayes (1993). *On Compliance*. *International Organization* 47(2), 175-205.
- Checkel, Jeffrey T. (1998). *Social Construction, Institutional Analysis and the Study of European Integration*. Paper presented at the Workshop on Institutional Analysis of European Integration of the European Consortium for Political Research in Warwick March 1998.
- Clayton, Richard and Jonas Pontusson (1998). *Welfare State Retrenchment Revisited. Entitlement Cuts, Public Sector Restructuring, and Inegalitarian Trends in Advanced Capitalist Societies*. In: *World Politics* 51(October): 67-98.
- Cram, Laura (1997). *Policy-making in the EU. Conceptual lenses and the integration process*. London and New York: Routledge.
- DiMaggio, Paul J. and Walter W. Powell. (1991). *The Iron Cage Revisited. Institutionalised Isomorphism and Collective Rationality in Organizational Fields*. In: Walter W. Powell and Paul J. DiMaggio, (eds.), *The New Institutionalism in Organizational Analysis*. Chicago: Chicago University Press.
- Dobbin, Frank (1994). *Forging Industrial Policy. The United States, Britain, and France in the Railway Age*. Cambridge: Cambridge University Press.
- Duina, Francesco (1997). *Explaining Legal Implementation in the European Union*. In: *International Journal of the Sociology of Law* 25: 155-179.
- Dyson, Kenneth (1980). *The State Tradition in Western Europe. A Study of an Idea and Institution*. Oxford: Martin Robertson.

- Elman, Amy (1998). The EU and women: Virtual Equality. In: Pierre-Henri Laurent and Marc Maresceau, eds., *The State of the European Union. Vol. 4: Deepening and Widening*. London, Boulder, CO: Lynne Rienner Publishers: 225-39.
- Falkner, Gerda (1998). Zwischen Politikverflechtungsfalle und Entscheidungslücke? Die Reform der 'sozialen Dimension' der europäischen Integration. Paper presented at the DVPW conference 'Wie problemlösungsfähig ist die EU? Regieren im europäischen Mehrebenensystem' in München, 29-31 October.
- Granovetter, Mark (1983). Economic Action and Social Structure: The Problem of Embeddedness. *American Journal of Sociology*, 92, 3, 481-510.
- Hall, Peter (1992). The Movement from Keynesianism to Monetarism: Institutional Analysis and British Economic Policy in the 1970s. In: Kathleen Thelen, Sven Steinmo, and Frank Longstreth (eds.), *Structuring Politics. Historical Institutionalism in Comparative Analysis*. Cambridge: Cambridge University Press.
- Hall, Peter A. and Rosemary C. R. Taylor (1996). Political Science and the Three New Institutionalisms. MPIFG Discussion Paper 96/6, Köln.
- Hoskyns, Catherine (1991). *Integrating Gender: Women, Law and Politics in the European Union*. London: Verso.
- Immergut, Ellen M. (1992). *Health Politics: Interests and Institutions in Western Europe*. Cambridge: Cambridge University Press
- Immergut, Ellen M. (1996). The Normative Roots of the New Institutionalism. In: Arthur Benz and Wolfgang Seibel (eds.), *Beiträge zur Theorieentwicklung in der Politik- und Verwaltungswissenschaft*, Baden-Baden: Nomos.
- Kerwer, Dieter (1998). Going through the motions. The modest European impact on Italian transport policy. Manuscript. Florence: European University
- Knight, Jack (1992). *Institutions and Social Conflict*. Cambridge: Cambridge University Press.
- Knill, Christoph (1998). Reforming Transport Policy in the United Kingdom: Concurrence with Europe but Separate Developments. Manuscript. Florence: European University Institute.
- Knill, Christoph (1999). The Transformation of National Administrations in Europe. Patterns of Change and Persistence. Habilitationsschrift, Department of Political Science, University of Hagen.
- Knill, Christoph and Andrea Lenschow (1998). Compliance with Europe: The Implementation of EU Environmental Policy and Administrative Traditions in Britain and Germany. *Journal of European Public Policy* 5(4), 597-616.
- Knill, Christoph and Dirk Lehmkuhl (forthcoming). An Alternative Route of European Integration. Forthcoming in *West European Politics*, 23, 1.
- Krasner, Stephen D. (1988). Sovereignty: An Institutional Perspective. In: *Comparative Political Studies*, Vol. 21, No. 1, pp. 66-94.
- Lehmkuhl, Dirk (1998) From Regulation to Stimulation: The Reform of Dutch

Transport Policy. Manuscript. Florence: European University Institute.

- Lenschow, Andrea (1997). The Implementation of EU Environmental Policy in Germany. In: Christoph Knill (ed.). The Impact of National Administrative Traditions on the Implementation of EU Environmental Policy. Interim Research Report. Florence: European University Institute.
- March, James G. and Johan P. Olsen (1989). Rediscovering Institutions. New York: Free Press
- Martin, Hans-Peter and Harald Schumann (1996). Die Globalisierungsfalle. Der Angriff auf Demokratie und Wohlstand. Reinbeck: Rowohlt.
- Mayntz, Renate and Fritz W. Scharpf (1995). Der Ansatz des akteurzentrierten Institutionalismus. In: Renate Mayntz, Fritz W. Scharpf, (eds.), Gesellschaftliche Selbstregulung und politische Steuerung. Frankfurt/Main: Campus.
- Mazey, Sonia (1998). The European Union and women's rights: from the Europeanization of national agendas to the nationalization of the European agenda? In: Journal of European Public Policy 5(1): 131-52.
- Moe, Terry M. (1990). Political Institutions: The Neglected Side of the Story. In: Journal of Law, Economics, and Organization. Vol. 6, 213-253.
- Moravcsik, Andrew (1991). Negotiating the Single European Act: National Interests and Conventional Statecraft in the European Community. International Organization 45(1) 651-88.
- Norgaard, Asbjørn (1996). Rediscovering Reasonable Rationality in Institutional Analysis. European Journal of Political Research 29 (1), 31-57.
- Olson, Mancur (1965). The Logic of Collective Action: Public Goods and the Theory of Groups. Cambridge, MA: Harvard University Press.
- Ostner, Ilona and Jane Lewis (1995) Gender and the evolution of European social policies. In: Stephan Leibfried and Paul Pierson, eds., European social Policy: Between Fragmentation and Integration. Washington, D.C.: The Brookings Institution.
- Pierson, Paul (1996a). The Path to European Integration: A Historical Institutional Analysis. In: Comparative Political Studies, Vol. 29 (April).
- Pierson, Paul (1996b). The New Politics of the Welfare State. In: World Politics 48(January) 143-79.
- Pollack, Mark A. (1997). Representing diffuse interests in EC policy making. In: Journal of European Public Policy 4(4): 572-90.
- Rhodes, Martin (1995). 'Subversive liberalism': market integration, globalization and the European welfare state. In: Journal of European Public Policy 2(3): 384-406.
- Ross, G. (1994). On Half-Full Glasses, Europe and the Left: Comments on Wolfgang Streeck's 'European Social Policy after Maastricht. Economic and Industrial Democracy 15: 486-496.

- Scharpf, Fritz W. (1997). Economic integration, democracy and the welfare state. In: *Journal of European Public Policy* 4(1): 18-36.
- Schneider, Volker (1998). Europeanization and the Redimensionalization of the Public Sector: Telecommunications in Germany, France and Italy. Draft Version of a chapter to be published In: Caporaso, James, Maria Cowles and Thomas Risse (forthcoming).
- Schwartz, Herman (1994). Small States in Big Trouble. State Reorganization in Australia, Denmark, New Zealand, and Sweden in the 1980s. In: *World Politics* 46 (July): 527-55.
- Skocpol, Theda (1992). *Protecting soldiers and Mothers: The Political Origins of social Policy in the United States*. Cambridge MA: Harvard University Press.
- Steinmo, Sven (1993). *Taxation and Democracy: Swedish, British and American Approaches to Financing the Modern State*. New Haven: Yale University Press.
- Streeck, Wolfgang (1995). Neo-Voluntarism: A New European Social Policy Regime?', *European Law Journal* 1(1): 31-59.
- Taylor, Paul (1983). *The Limits of European Integration*. London: Croom Helm.
- Teutsch, Michael (1998). *Regulatory Reform in the German Transport Sector: How to Overcome Multiple Veto Points*. Manuscript. Florence: European University Institute.
- Thelen, Kathleen, Sven Steinmo (1992). Historical Institutionalism in Comparative Politics. In: Kathleen Thelen, Sven Steinmo, and Frank Longstreth (eds.), *Structuring Politics. Historical Institutionalism in Comparative Analysis*. Cambridge: Cambridge University Press, pp. 1-32.
- Vogel, Steven K. (1997). International Games with National Rules: How Regulation Shapes Competition in 'Global' Markets. In: *Journal of Public Policy* 17(2): 169-193.
- Zachariadis, N. (1996). Selling British Rail. An Idea Whose Time Has Come? *Comparative Political Studies*, 29, pp. 400-422