1. Introduction: why we need dynamic perspectives

WHAT IS DYNAMIC ANALYSIS?

This is a book about the dynamics of public policy. Like many well-used and widespread terms in the social sciences the idea of dynamic perspective or analysis, whilst intuitive and appealing, is difficult to define precisely in a manner that will cover all of its different uses. For example, even within the field of economics and its commitment to a positivist science, the Nobel Laureate Paul Samuelson (1947, p. 311) was able to say that: ‘often in the writings of economists the words “dynamic” and “static” are used as nothing more than synonyms for good and bad, realistic and unrealistic, simple and complex’. In his Essays in Economic Semantics, the Austrian economist Fritz Machlup (1975, p. 10) offered the view that: ‘Typically, “statics” was what those benighted opponents have been writing; “dynamics” was one’s own vastly superior theory.’

Precise definitions do exist: for example, Samuelson’s own formulation that dynamic analysis refers to models in which time is an independent variable would be recognized by students of economics. However, this limited definition is of little utility outside the formal models of economics and does not capture any substantial sense of the concept of dynamic analysis as it is used variously in the social sciences. Instead this definition is an exemplar of ‘how economics forgot history’, the title of Geoffrey Hodgson’s investigation of the long-standing difficulty of time and historical specificity in the social sciences (Hodgson 2001).

It is precisely the difficulty that economists have had in modelling time that reveals the value and importance of the dynamic perspective to the analysis of public policy. Any policy process is a complex system and dynamic models of complex systems are much more difficult to construct than static ones (which is why dynamic models are also less well developed in biology and physics (Auyang 1998)). The difficulty arises because there are typically several processes with different speeds going on at the same time. This makes separating different time scales such as the short, intermediate or long run as essential to understanding and explanation as distinguishing between different spatial scales, as in the macro, meso, micro and decision levels.
common in policy studies (for example, Parsons 1995; Hudson and Lowe 2004).

Most importantly economics, like public policy, depends on human decisions. All decisions are made in historical contexts; they are inevitably influenced by the legacy of the past and the uncertainty of the future. Thus the description of individual decisions requires a sense of memory and expectation; these are subjective, personal and partial and therefore not suited to the formalism of economic models, notwithstanding theoretical advances in game theory on ‘memory’ and ‘expectation’ in repeated games.

One common and essential element in most writers’ use of the term policy is purposiveness of some kind (Parsons 1995, pp. 13–16). Policy expresses a general set of objectives or a desired state of affairs. These are constrained by a sense of possibility driven by legacies and forebodings. In a well-known definition of policy, public policy is: ‘anything a government chooses to do or not to do’ (Dye 1972, p. 2). Policy is about choice: the choice of objectives; the choice of reasons for (in)action; the choice of policy instruments; the choice of how to respond to the consequences of policy outputs. These choices, their consequences and subsequent choices unfold in a temporal process in which uncertainty is a defining feature.

In this book dynamic analysis is not a conceptual framework or theory, nor is it amenable to a precise, pithy definition that allows a succession of theoretical corollaries in terms of policy dynamics. Rather it is a perspective or a way of viewing the world more akin to a methodology – in the sense of prompting a series of questions about methods of inquiry – than a substantive theory. The idea of policy dynamics is not original; it is proclaimed in the titles of Rose (1976), Harrison et al. (1990), and Baumgartner and Jones (2002). However, the intellectual underpinnings of dynamic analysis remain unexplored in the policy theory literature. The case for the importance of understanding policy dynamics in the field of policy studies is put forward in this chapter. This also gives context to the assessment in later chapters of the different frameworks, concepts and theories that might be used for the purpose of dynamic policy analysis.

In exploring the foundations of a social-scientific approach to dynamic analysis, the issue of history in policy studies ineluctably emerges along with the broader epistemological question of the relationship between social-scientific explanations and historical explanations. Indeed, this book aims to make progress on the challenge set out by Pierson (2004, p. 5): ‘The declaration that “history matters” is often invoked, but rarely unpacked.’ Something similar is repeated in Schwartz (2004), Thelen (2003) and Mahoney (2003). In alternative terms, Reynolds (1999, p. 277) observes that, without elaboration, the claim that to be properly understood things must be considered within their historical context amounts to “mundane historicism”.
The book addresses the notion of dynamics as a term that is widely, if inconsistently, used within the social sciences, has been applied in the study of policy, but is currently theoretically underdeveloped in policy terms. The nature of what is being studied with a dynamic perspective – temporality and change at different scales – demands notice of history qua academic discipline, or more accurately historiography: dynamic analysis is the use of concepts and theories to understand and explain longitudinal data of policy development. I argue in Chapter 2 that there is a deep underlying common structure involved in ‘dynamic policy analysis’ and ‘writing policy history’; however such a formulation faces the constraint that different disciplines have different methods and analytical styles, as well as the acceptance of different modes of explanation as valid. The second chapter establishes the narrative as the appropriate methodology for policy dynamics; I go on to develop specific standards of inquiry to construct and assess policy narratives in Chapter 5.

This chapter has three aims. The first is to set out the intellectual foundations of dynamic analysis from a social science perspective in terms of three notions: temporality, change, and different processes and scales. The second aim is to establish public policy as a unit of dynamic analysis. Finally, the structure of the book is outlined.

TEMPORALITY

There is a distinction between temporality and ordinary, common sense conceptions of time. Broadly there are two categories of answers to Heidegger’s famous question: what is time? The first has time as something which exists independently of things and events; the second sees time as ideal, in the sense that things are not temporal without temporal concepts. It is beyond the scope of this book to investigate this question fully, however for our purposes an answer does help for the understanding of what is meant by a dynamic perspective. The assumption in this book is that ‘time’ is an abstract, imaginary notion; whereas ‘temporality’ refers to how we make events or experiences intelligible in terms of time. Time cannot be separated from things, events, processes and is inherent in all empirical entities.

This allows two things to be set out immediately. First, any policy choice or decision depends on knowledge of options and thus the concept of possibility is fundamental. Next, possibility is inalienably linked to temporality: without sense of a past, present or a future, the notion of possibility – and thus choice – does not make sense. Possibility enters into most social scientific theories, implicitly or explicitly, by the concept of ‘state space’. This is the structured collection of all the possible momentary states of an individual thing. For example: consumption and production sets in microeconomics; or the capacity...
of a health system to produce certain health outputs; or the range of predictions in a model of poverty over the life course. The individual thing in this book is policy, so the term ‘policy space’ is used interchangeably with state space throughout the book. The concept of state space is the foundation of dynamics and the use of dynamic perspectives; a dynamic perspective on policy consists of examining successive states of a policy system and the relationship between them.

This distinguishes dynamics from the comparative statics approach that does compare certain states of a system but fails to consider the relationship that links the states through time. Whilst it is possible to have a theory of change within a comparative statics perspective that provides reasons why some states will change to another, two important elements will be missing. First, an account of the process of adjustment between the two states, and some analysis of the connecting path. Second, temporality: the separation of the two states is atemporal, as the snapshots (which may have temporal identifiers to the extent that we can say one occurs before the other) are of two states being compared for reasons other than temporality – they may be salient political events, for example. In a dynamic perspective on the other hand, temporality is central. The purpose is to compare a system as it passes through consecutive temporal states, and these consecutive states may come slowly or quickly; thus a system that changes slowly would have different temporal identifiers to one that changed quickly. And, of course, by making the claim that something changes slowly, we are using some concept of time. This establishes the point that just as we can separate scales of analysis in the policy process, so we can show different rates of change. This is how I understand the frequently cited aphorism that the social sciences should fulfil an ambition for ‘movies and not stills’.

For Pierson (2004, p. 2) the key to temporal analysis is: ‘… systematically situating particular moments (including the present) in a temporal sequence of events and processes stretching over extended periods’. However I argue that temporality involves more than just situating different states; rather the ambition for ‘movies’ is to trace a path between all these different moments or states realized at various times. In principle these paths may be described by deterministic dynamics; in formal social science modelling this is usually in form of a set of functional equations in which time is an independent variable. Alternatively there may be stochastic dynamics, where the probabilistic element is limited by the set of all possible states in the model or theory. However, the crucial point for this book and for policy dynamics is that in the policy process the possibilities are so numerous and heterogeneous, as well as unexpected and unintended, that they cannot be circumscribed in state spaces. Therefore, I argue, deterministic or stochastic models of policy dynamics are incapable of prediction, either prospectively or
retrospectively, and thus fail one of the defining standards of social science research.

Unpredictability is not, however, inexplicability; as explanation has the benefit of hindsight. All the concepts, theories and frameworks of policy dynamics covered in this book contribute to ‘narrative’ explanation. Chapter 2 stresses that the notion of possibility, inextricably bound with temporality, is central to narratives of policy dynamics. Most explanations of evolutionary events are narrative and share with policy studies a focus on unique sequences and processes; indeed, the limited applicability of state space indicates the limit of generalization in policy studies. This is one of the reasons why evolutionary approaches to policy dynamics are considered in Chapter 4, and ideas of memory in Chapter 5.

THE NOTION OF CHANGE

There are four ideas involved in the notion of change: an enduring thing; its various possible states; the identification of an initial and a final state by the temporal index; and the characterization of these states. The logical structure of change is of the following form: the thing changes from state $S_1$ at time $T_1$ to state $S_2$ at time $T_2$. $T_1$ and $T_2$ pinpoint, temporally, the states that $S_1$ and $S_2$ characterize. But without some idea of unity that binds the two states, we can only say that they are different. We need the concept of the ‘thing’ to bind the two states, that is something, some element of the entity, must endure for change to occur.

The characterization of the thing involves a type-value duality. A thing’s potential to change is limited by the range of possible states admissible for the type set of which it is a member. If the thing is education policy, for example, only certain policy states are possible for that type; that is, only certain things can be education policy. If the boundary of possibility is overstepped, the thing in question becomes another thing rather than a different value of the same thing. There is a crucial distinction in logical terms between changes in things and changes in kind.

How to make progress on this distinction in practical terms? I start with the proposition that a thing changes substantively when its states at different times have different characteristics. The successive states constitute the thing’s history. They can also be interpreted as the stages of the process the thing undergoes, as in policy process where things change form, such as with the generic stages model: from idea, to proposal, to legislation, to implementation plan, to monitoring and evaluation framework. A thing need not change substantively, but an unchanging thing still has a history and undergoes a stationary process.
The endurance of a system is embodied in a path in state space that connects the observed states of a system identified by a unique temporal reference point. The temporal reference point establishes the order of the states in the system and substantive differences between them. The identity of the thing through time, the endurance, raises the troublesome philosophical question: if a changing thing really changes, it cannot literally be one and the same thing before and after the change; however, if a changing thing literally remains one and the same thing (that is, it retains its identity) throughout the change, then it cannot really have changed.

This is not an abstract irrelevance. The debate over public policy toward foetal research, for example, emphasizes that debates about things and values are politically contested: when does the ‘thing’, human life, begin and therefore the legitimacy of scientific experimentation? The identity-through-time difficulty is compounded where the thing is composite and its constituents are in flux, as is the case where the thing is ‘policy’. For example, is social policy under a Keynesian welfare state a different thing from neoliberal social policy, rather than a different value of the same thing? While the economic policy of *les trente glorieuses* in France is obviously different from that under the Maastricht Treaty process in the 1990s, important continuities remain: it is a different thing with similarities to the previous thing. It will emerge in the book that the notion path-breaking policy change, a change in kind as well as value, forms an important part of debates in the field of policy studies – as in Chapter 8, for example, which looks at policy dynamics following the break up of a well-established policy paradigm in UK health care policy.

A MULTITUDE OF PROCESSES AND TEMPORAL SCALES

Robinson (1979, p. 286) states: ‘Logical time can be traced from left to right on the surface of a blackboard. Historical time moves from the dark past behind it into the unknown future in front.’ As noted, time is the parameter that distinguishes and identifies the various states of an enduring thing and is inherent in the general concepts of endurance and the processes that occur. However, the temporal parameter is defined individually for each thing or process. There are therefore many kinds of time, and this is a characteristic that can distinguish the different states of a system.

The major trend of a system is not the only ongoing process; there are a multitude of processes proceeding together, each with its own pace and temporal structure. So, economists talk about the short term, or intermediate-term adjustment, or the long term or cycles. Policy analysts in government employing cost–benefit techniques examine immediate and medium-term
impacts. Wanna et al. (2000) discuss how the budget-making process at the federal level in Australia includes requirements for 5-year fiscal impact analyses of policy decisions and periodic intergenerational equity reports that use a 30-year time horizon. The relative magnitudes of the different temporal processes help in the understanding of which process dominates over a particular timescale, which can be held stationary, or which might be averaged. Whilst policy theory discusses time horizons, uses notions of time consistency when critiquing policy design and contains discussions of term limits for politicians, there is little systematic analysis of different rhythms, cycles and process speeds in the policy process.

The notion of different temporal scales further limits the utility of static analysis. Once time is ‘frozen’ then it is impossible to observe different velocities. The idea that what is observed from a snapshot has any relevance at any time in the future is doubtful because the snapshot picture will change very quickly when there are a multitude of temporal processes occurring; in metaphorical terms, taking a snapshot of a kaleidoscope will not have much value in trying to understand what preceded and succeeded the point at which the picture was taken.

Another related limitation of static analysis is that it does not allow for the idea of inertia, a key characteristic of policy change. A static approach assumes away inertia and resistance once a factor driving change has been nominated and an outcome position identified, but the dynamics question is: how do you get from one to the other? What is the resistance involved in terms of countervailing power, institutional inertia, bureaucratic entrenchment or the reassertion of ‘old’ thinking or analysis?

POLICY AS A TEMPORAL STATE

This brings us to the point that all books about policy must address: what is policy? This is the thing that both changes and endures over time, and arouses an interest in dynamic analysis. Hogwood and Gunn (1984, pp. 11–19) discuss a number of the common uses of the word ‘policy’: policy as a label for a field of activity (for example, foreign policy); policy as an expression of general purpose or the intended path towards a desired state of affairs; policy as a specific proposal; policy as a decision of government; policy as a formal authorization (for example, legislation); policy as a programme of activity; policy as outputs or what governments actually deliver, as opposed to what it is promised or authorized through legislation; policy as outcomes or what is actually achieved; and policy as a theory or model (the notion that if we do X then Y will follow').

Such definitional breadth is what attracts scholars to the brevity of Dye’s...
definition of public policy, or Howlett and Ramesh’s (2003, p. 3) offering that ‘Public policy is, at its most simple, a choice made by a government to undertake some course of action.’ Stone (2001, p. 7) argues that definitions of policy in terms of choice, or an action calculated to achieve a desired objective, or the purposeful connecting of ends with means are premised on a ‘classical view’ of policy as the result of a rational process: ‘the model of policy making in the rationality project is a production model, where policy is created in a fairly ordered sequence of stages, almost as if on an assembly line’.

Of course, most policy textbooks readily acknowledge that this is an oversimplified model: policies usually involve a series of interrelated decisions; rather than a single decision-maker, many different people at different levels and scattered throughout government organizations make public policy decisions; policies are shaped by earlier policy decisions and environmental factors; policies are mediated through their implementation; policies involve both actions and inactions; policies cannot be analysed apart from the policymaking process; policies have outcomes that may or may not have been foreseen; policies are subjectively defined, and may be defined retrospectively; policies extend beyond the formal records of decisions; and policies need resources and action to be differentiated from political rhetoric.

Nevertheless, despite the limitations of the classic view there is an entrenched belief, particularly among policymakers, that policy should achieve a desired change in the wider population. For example, as with the evidence-based policymaking initiative in the UK’s Cabinet Office where Professor Ron Amman attempted to introduce something like a stages model to ‘improve policy-making’ (Centre for Management and Policy Studies 2001). Further, much of the recent policy-learning literature is premised, usually implicitly, on some underlying rationality in the policy cycle where policymakers use trial-and-error procedures in order to find the best solution to a problem. First, policymakers develop a hypothesis about the best way to achieve an objective (the causal model from inputs to outcomes noted previously). They then test their hypothesis, that is, they implement their policies and analyse their impact. From their analysis, policymakers can come to a conclusion about how well their policies work and whether they should be continued, improved, implemented in another way or terminated.

The notion of a policy cycle, prominent in the classical view, has its origin in systems theory and the pioneering work by David Easton on political systems (Easton 1965, 1966). According to Colebatch (1998) the policy cycle imagines the policy process as an endless cycle of policy decisions, implementation and performance assessment. Howlett and Ramesh (2003) conceive of a similar cycle but with more steps: agenda setting (problem recognition); policy formulation (proposal of a solution); decision-making
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(choice of a solution); policy implementation (putting the solution into effect); and policy evaluation (monitoring results). Hogwood and Gunn (1984) also envisage a cycle: issue search or agenda setting; issue filtration; issue definition; forecasting; setting objectives and priorities; options analysis; policy implementation; evaluation and review; and policy maintenance, succession or termination.

This generic class of policy cycle models is idealized, but useful here for showing what challenges and demands a dynamic perspective brings: all these models of stages, cycles and learning, and variants thereof, even when they are sophisticated enough to explain why particular decisions are made, do not pinpoint or offer what drives policy from one stage to the next. In our terms here, the notion of a cycle is an exercise of comparative statics rather than dynamic analysis. The ‘process’ bit of the policy process most often goes un-theorized and is assumed away.

Policy cycle models fail to embrace the complexity of the policymaking process and the reality that policy rarely, if ever, develops in a linear progression. Stages are often skipped or compressed and the idiosyncrasies, interests, preset dispositions, policy paradigms or mental maps of the actors involved often usurp the sense of a smooth process. There are a multitude of different processes at different scales and at different speeds occurring simultaneously.

There is an alternative to the classical view of policy, that Colebatch (1998, p. 102) labels the structured interaction model:

The structured interaction perspective does not assume a single decision-maker, addressing a clear policy problem: it focuses on the range of participants in the game, the diversity of their understandings of the situation and the problem, the ways in which they interact with one another, and the outcomes of this interaction. It does not assume that this pattern of activity is a collective effort to achieve known and shared goals.

The interaction view recognizes that policy is an ongoing process with many participants, most of whom do not have a formal or recognized role in policymaking. They include ministers of state, their advisers, politicians, public servants, party members, ‘street level’ delivery staff, peak bodies, interested members of the public, the media and academics. According to this view, policy is not about the promulgation of formal statements but the processes of negotiation and influence; indeed, ‘much policy work is only distantly connected to authorized statements about goals: it is concerned with relating the activities of different bodies to one another, with stabilizing practice and expectations across organizations, and with responding to challenge, contest and uncertainty’ (p. 102).

Stone (2001, p. 208) provides the most memorable description of the
structured interactionist view, and one that emphasizes its corollary in terms of the need for dynamic analysis:

policy is more like an endless game of Monopoly than sewing machine repair. Hence the common complaint that policies never seem to solve anything. The process of choosing and implementing the means of policy is political and contentious. The actions we commonly call ‘new policies’ are really somebody’s next move, and in politics, as in a good game, nobody’s move completely determines anybody else’s future move.

THE POLICY SYSTEM

One consequence of accepting the complex interaction view of policy over the classical view is that it presents policy as a multi-level phenomenon. There is no unique level or scale but rather several levels that may be examined as ‘policy’, as Heclo (1972, p. 84) puts it: ‘As commonly used, the term policy is usually considered to apply to something “bigger” than particular decisions, but “smaller” than general social movements. Thus, policy, in terms of levels of analysis, is a concept placed roughly in the middle range.’

The first scale in this middle range is that of the policy system. In these terms, policy is a ‘whole’, or system, as in discussions of health policy, defence policy or housing policy. It is not just journalistic shorthand to talk about policy development; there is a ‘whole’ or a ‘system’ at a policy level that can be the subject of active and passive verbs and the object of empirical investigation without stretching the limits of our imagination too far. A policy system is a complex, composite variable consisting of many interrelated elements. Within a policy system there may be several policy subsystems (or elements), each with their set of actors, organizations, goals and instruments (Baumgartner and Jones 2002, Chapter 1). For example, within the health policy system there are inter alia the primary care policy subsystem, the hospital policy subsystem and the public health policy subsystem. Using a dynamic perspective, the development of policy subsystems may equally be understood as the policy ‘whole’ itself.

Rose and Davies (1994) argue the policy programme level should be the basic unit of analysis in policy studies because it is most readily observable. A policy programme refers to a specific combination of laws, commitments, appropriations, organizations and personnel directed towards a more or less clearly defined set of goals. In other terms, this is a policy instrument: an identifiable tool or resource of government used for a specific set of purposes. This is a more finely grained perspective than the policy subsystem and I develop the argument in Chapter 5 that this should be the microfoundation for policy narratives.
One corollary of different policy scales is a lack of precise frameworks for 'measuring' policy, or alternatively locating policy continuity and policy change. Judging policy change is difficult because even if at the macroscopic or policy system level there is limited change and policy is considered stable, there may be – concurrently – change observed at the policy subsystem level or programme/policy instrument level. In the context of economic policy, Hall (1993) sets out three orders of policy change: change in the level of policy instruments (first order); change in the instruments actually used (second order change); and change in the overall policy paradigm (third order change, which occurs at the policy system level). Under this categorization, policy change and policy stability may be simultaneously observed. Hall’s work is important because it allows the crucial logical distinction between changes in things and changes in kind to be made in terms of policy. It gives us categories of things (policy instruments and their different levels) and kind (policy paradigm). This allows us to assess whether an existing policy is changing or a new policy is being introduced.

For Hall, a policy paradigm is an interpretative framework that operates in the policymaking process. Specifically, it refers to the framework of ideas and standards that specifies the goals, instruments and the very nature of a policy issue. On this approach, how policymakers interpret and use evidence to construct the notion of a policy, and options for reform, greatly affects policy development. Such an interpretive framework or mental map may be path dependent and ‘sticky’ (Denzau and North 1994). Importantly, just as the Kuhnian model challenges the conception of scientific activity approximating to certain canons of ‘pure’ rationality, so will any parallel model applied to the policy case; thus policy paradigms belong outside the classical view of rational policymaking.

Alternatively, Pritchard (2002) shows how it is possible to generalize away from science by using Wittgenstein’s notion of ‘hinge propositions’. These are the guiding assumptions of a certain activity; assumptions that inform and restrict the choices taken. These guiding assumptions are forms of tacit knowledge; it is not that agents do not know the assumption at issue – this is not a situation of incomplete information – rather they do not recognize that they are making an assumption. They are ingrained in how agents construct their situations, their decisions and their actions. Neither policy paradigms nor hinge propositions are evaluated or directly articulated in the policy process, but they operate to reduce the range of possible alternative courses of action that are scrutinized in the decision-making process. Situated agency in policy studies is discussed in Chapter 5, but note here that I will use the concept of a policy paradigm rather than a hinge proposition throughout the book, on the grounds that this term is commonly used in the policy studies literature; in many ways the latter notion is better however, because...
label of a policy paradigm is that these are the equivalent of Kuhnian scientific paradigms in their completeness, internal coherence or resistance to disconfirming evidence, whereas in Chapter 8 the argument is presented that this is not always the case.

The emphasis on a multitude of processes at different speeds from a dynamic perspective complements this multi-level view of policy. Throughout the book I will use the terminology of events to describe abrupt changes of things; with more gradual change labelled as a process. A process is of the form $S(t)$, where $t$ is the temporal identifier or index, and $S$, the state of a system. Thus, $S$ varies in accordance with the variation in the temporal identifier: a dynamic perspective. Following this notation the derivative, $dS(t)/dt$, can be interpreted at a specific time as an event, the almost instantaneous change in system.

The distinction between an event and a process helps avoid the dualism between policy stability and policy change that sometimes affects policy studies. From a dynamic perspective it is all change, because even where the state of the system does not change in type or value, $S$ at $t_1$ is different from $S$ at $t_2$, and so on. This analysis helps to get us ‘beyond continuity’ (Streeck and Thelen 2005) in our thinking about policy development. Instead the notions of events and processes help decompose sequences of policy development into temporal parts such as periods, stages, phases, movements or epochs. The method of periodization raises questions for narrative explanation and the construction of policy histories: these are dealt with in Chapters 2 and 5.

POLICY AS AN INSTITUTION

Institutions are central to contemporary social science theory. Indeed, an acceptance of the importance of institutions for social and political development is one of the few genuine cross-disciplinary agreements. This has produced a variegated set of institutionalisms (see Hall and Taylor 1996, see also contributions in Goodin 1998). The attraction of institutions, both to policymakers and analysts, is that they help give a structure to a world that is complex and in which there are a multitude of temporal processes underway at different levels. Institutions are collective constraints; organized patterns of socially constructed norms or roles with prescribed behaviours expected by the occupants of these roles, which are created and recreated over time. Institutions help provide a buffer against the uncertainty of interaction among policy actors and perturbations external to the policy process. Institutions are enduring, regular and tend to be difficult to change; as such they provide an important part of the temporal context of policymakers.

As noted earlier, within the policy system as a whole there are various
structures at different scales that act as institutions in shaping agents’ decision-making in the formulation and implementation of policy. These are not reducible to individual level agents or elements in the policy process. Examples of such policy institutions are budget rules, policy networks, standard operating procedures in government departments, and agencies. Most importantly in terms of understanding policy development, past policy decisions are institutions in terms of current policy decisions: they act as structures that can limit or shape current policy options. Institutionalism is an important way of thinking about policy legacies, how policies accumulate and gradually institutionalize. The ambition to understand how policy histories affect policy in the present is what drives this project of dynamic policy analysis: as Oakeshott says, we do not have a ‘blank sheet of infinite possibility’ in a policy area; the options for future policymakers are restricted by past policy paths.

The conceptual distinction between a policy and an institution is significant; to conflate the two would blur the object of analysis in policy studies. Nevertheless, in certain circumstances a policy can act as an institution. As Pierson (1993, p. 596) states: ‘… major public policies also constitute important rules of the game, influencing the allocation of economic and political resources, modifying the costs and benefits associated with alternative political strategies, and consequently altering ensuing political development.’

In Pierson (2004, pp. 150–51, 165–6) policies are institutions, and although they are less ‘foundational’ than formal political institutions they can develop in a manner complementary to and interlocking with those formal institutions. Further, the application of the voluminous and important literature on institutional development to the study of public policy represents a ‘significant research frontier’ (p. 165). I agree, and throughout the book will be using concepts that have been developed for the analysis of institutional dynamics for the purposes of understanding policy development, such as path dependency for example, in Chapter 3.

OUTLINE OF THE BOOK

The book is in two parts. The first part consists of four chapters that take a theoretical perspective on policy dynamics. In Chapter 2 the central role of history in policy dynamics is established, both in terms of the effect on the present of things that happened in the past and its place as an academic discipline. In discussing the different modes of explanations in the social sciences and historical disciplines, the argument is developed that narrative explanations are the most appropriate means for explaining policy dynamics.
Further, the use of narratives in this context, far from being perceived as a weakness or some lack of analytical capability (as some formal social scientists maintain), should be viewed as the valid method of inquiry for answering the questions raised by a dynamic perspective on policy development. Chapters 3 and 4 assess critically two broad concepts as means of organizing or structuring policy narratives. Chapter 3 looks at the increasingly popular notion of path dependency and its application to policy. What advantages and disadvantages does the concept have in understanding or explaining chronicles of policy development? Chapter 4 subjects evolutionary theory to similar scrutiny in a policy development context. On the basis of these theoretical investigations, Chapter 5 sets out how to structure policy narratives to explain policy dynamics. The chapter acts as both a summary of the preceding analysis and a methodological guide for the empirical chapters that follow: what is a narrative? How do you structure a narrative? How do you evaluate a structured narrative? What makes it convincing or valid, successful or true?

Chapters 6–9 constitute Part II of the book. These are all case studies of particular policy dynamics. Theodore Lowi’s venerable, but imperfect, four-fold typology of constituent, redistributive, distributive and regulatory policies has been used to select the cases. I make no claim that these are in any sense a representative sample of policy dynamics, only that Lowi’s typology allows four different policy contexts to be considered in the book. The EU budget is an example of a constituent policy in Lowi’s terms in that it involved the EU adopting a series of decision rules for subsequent policymaking. Chapter 6 will consider the structure and history of the EU budget with particular attention to the development of budget rules and their complex inter-dependency over time, from the mid-1980s onwards. The EU’s Common Agricultural Policy (CAP) is described as a redistributive policy in Chapter 7, which will outline the argument that although the CAP has been the subject of five reforms in 18 years these reforms have for the most part been minor, and the key policy dynamic that needs explaining is resistance to reform. Chapter 8 looks at UK primary care between the late 1980s and 1997 as a distributive policy. The GP fundholding scheme was introduced and repealed within seven years in the 1990s and the case illustrates the dynamics triggered by the collapse of a well-established policy paradigm and the subsequent instabilities where a major reform initiative fails to be institutionalized in the policy system. Pharmaceutical policy is considered in Chapter 9 as a regulatory policy in Lowi’s terms. UK pharmaceutical policy has changed significantly since the early 1990s, towards an emphasis on controlling NHS demand for medicines. The policy dynamic is of an increasingly complex policy space with new initiatives layered onto existing policies, creating new and potentially contradictory interactions between demand-side and supply-side regulations.