

Pregledni rad
316.256:35
330.837:316.42
Received: 26 January 2012

The New Institutionalism(s): A Framework for the Study of Public Policy in Post-conflict and Post-communist Countries

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Summary

Institutional design for democracy and its functioning in post-communist contexts have been a favourite topic in much of the literature on politics in the past two decades. However, many studies have failed to pay adequate attention to and account for the effects of past legacies and institutions, as well as values and beliefs, many of which have crept, even if disguised, into emerging democratic systems. These processes, as argued in this article, are believed to be best explained by conjoint utilisation of historical and sociological strains of the new institutionalist approach to institutional and policy analysis. In that respect, this article outlines the debate on theoretical approaches within the public policy field and implications from the literature on new institutionalism for the study of much contested concepts of institutions and policy. The reviewed framework enables comprehension and explanation of political action embodied in specific institutional and policy design, its origins, functioning and reproduction as encountered in post-conflict and post-communist states.

Keywords: new institutionalism, sociological institutionalism, historical institutionalism, institutions, values and beliefs, logic of appropriateness, institutional recycling, path dependence, policy, policy analysis, public policy and post-conflict and post-communist states, 'undeserving' groups

Introduction

Public policy is a well-established field within Western political science research with an abundance of theoretical approaches and empirical studies focusing on various aspects of policy in developed countries (Birkland, 2005; Hecl, 1972; John,

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1998; Parsons, 1995). However, the applicability of these theoretical approaches and methodologies to the specific contexts of developing countries has been neglected (Mooij & de Vos, 2003: vi) and under-researched in the post-communist countries (Bunce, 2005; Elster *et al.*, 1998; Johnson, 2001). In that respect, the study of Jon Elster *et al.* (1998) has called for a consideration of specific situations in new democracies, i.e. the post-communist countries which have had to develop simultaneously the policies and institutions to process them.

A closer scrutiny of political action calls for adoption of a particular orientation which is inherently multi-method, 'multi-disciplinary, problem-focused, concerned to map the contextuality of the policy process' (Lasswell, 1970; Parsons, 1995: xvi). Consequently, the field teems with a myriad of theoretical approaches and models tested, which are often borrowed from other disciplines such as economics, sociology and organizational theory. Hence it is unsurprising that the most acclaimed studies in the field rely on a range of profoundly diverse theoretical underpinnings (Birkland, 2005: 13; Parsons, 1995: xvii). While on the one hand such trends enrich the field, on the other, as Wayne Parsons (1995: xv) has asserted, such a mixture of approaches and models utilized in the studies of public policy has had a negative and centrifugal effect as it threatens to undermine the very integrity of the discipline.

The literature on public policy analysis suggests the most common approaches to operationalization of the policy process are secured via application of the two major models of the policy process; the sequential (linear or 'stages') model (Anderson, 1994; De Leon, 1999) and the interactive model. The linear model includes several stages: policy recognition, agenda setting, policy formulation, implementation, evaluation and modification or termination. This model is rather an ideal type, while the presence of all its stages in this very order is rarely found in practice. The policy-making process, as Hal Colebatch has asserted (2002), is seldom accomplished by a single actor or a clear, linear activity. More often the formulation of policies, as well as decision-making, depends highly on personal connections and networks (as well as power relations), while it remains in the constant process of bargaining. These factors are captured in an interactive model proposed by John Thomas and Merilee Grindle (1990). Its major features include:

- a) establishing a sense of urgency; b) creating the guiding coalition; c) developing a vision and strategy; d) communicating the change vision; e) empowering broad-based action; f) generating short term wins; g) consolidating gains and producing more change; h) anchoring new approaches in the culture. (Mooij, 2003: 6)

Unlike the sequential model, the interactive model takes into consideration the social aspects of behaviour of policy actors. The 'stages' model (see Sabatier & Jenkins-Smith, 1993) has been criticized, among other reasons, for introducing an

artificial division of stages which are placed linearly and in spite of the fact that, very often, two or more stages actually occur in parallel. Nevertheless, the model is still utilized because it allows simplification of the policy process, thereby easing its analysis.

Current theoretical approaches utilized in the literature on public policy are remarkably diverse. Thomas Dye (2005), Paul Sabatier (1999) and Peter John (1998) have all suggested rather elaborate taxonomies which incorporate diverse analytical and operational approaches to public policy. In his influential book on critical analysis of public policy, John narrowed down possible approaches to the selection of the following 'traditional' ones: the institutional approaches which view institutions as a source of policy and 'assume that formal structures and their norms process decisions' (1998: 197); the interest group and social network approach which places network and relationships between the members as a key factor influencing the policy process; the macro socio-economic approach for which the socio-economic context plays a determining role and influences policy results; the rational choice approach which views policy outputs and outcomes as the result of rational decisions and games undertaken by the participants; and the ideas-based approach for which ideas freely float prior to being appropriated by vested interests. John (*ibid.*) has scrutinized the strengths and weaknesses of each particular approach, arriving at the conclusion that the inability to provide an all-encompassing answer represents the major setback and deficiency of 'traditional' approaches. Rather, they each deal only with a specific and compartmentalized aspect of public policy. As a remedy to such a situation, John (*ibid.*) has urged adoption of multiple perspectives and for that purpose developed his own, synthesis-based approach. Following similar lines, a combined system is developed in the present investigation. It comprises the two theoretical streams adopted from the new institutionalism that are aimed at exploring and explaining institutional activity and policy outcomes. The institutional approach is discussed in the section that follows.

1. Accessing an Analysis of Institutions: The New Institutionalism(s)

The new institutionalism or neoinstitutionalism is a modification of the earlier institutionalist approach to politics that dominated political analysis in the first half of the twentieth century. Institutional analysis attracted renewed interest in the 1980s, but became central to the studies of politics especially during the 1990s, part of the reason being the democratization processes in the post-communist states, which reignited interest in institutions and especially in institutional design at the macro level (A'gh, 1998; Beyme, 1996; Fish, 1999; Johnson, 2001). Moreover, the majority of studies exploring the post-communist democratic transformations focus on institutional design and socio-economic setting conjointly that are believed to be fundamental variables in the emergence of the democratic system.

Unlike its earlier form, Guy B. Peters asserts, ‘the new institutionalism focuses on structures and organizations rather than on individual behavior’, and even more importantly, it ‘looks at actual behaviour rather than only at the formal, structural aspect of institutions’ (2000: 206). Scholars applying this theoretical framework argue that the institutions represent the major source of the ‘most important variations in policy and politics’ (Peters, 1998: 121), or as James March and Johan Olsen maintain, ‘major actors in modern economic and political systems are formal organizations, and the institutions of law and bureaucracy occupy a dominant role in contemporary life’ (1984: 2). Such views are further fortified in Parsons’ observation; reflecting on the institutionalist approach and its relevance for public policy studies, he recalled the fact that ‘politics and policy-making take place in the context of institutions’ (1995: 223). To put it differently, institutions represent a critical variable in policy study. Since institutions implement the policies (but also modify them in due course), it is essential here to reflect upon their basic features and selected approaches in their analysis. This follows next.

1.1. Institutions: Attributes and Analytical Approaches

The principal properties of institutions revolve around the conviction that institutions are an ‘autonomous force in politics’, they shape action, ergo they could influence political outcomes (Lecours, 2005a: 8). Reflecting on the issue of institutional autonomy, André Lecours has pointed out that ‘once institutions are formed, they take on a life of their own and drive the political process’ (*ibid.*: 9). John Kingdon agrees that there is institutional independency in relation to their external, socio-economic environment, but also emphasizes that the relationship is much more complex and one of interdependency, as expressed in the following quotation:

The notion is that government is not simply pushed and pulled around by societal or economic forces, but has its own autonomy. (...) institutions, constitutions, procedures, governmental structures, and governmental officials themselves affect the political, social, and economic systems as much as the other way around. (Kingdon, 2003: 229)

The relations within and among the institutions are highly complex, hence the several models of interdependency, focusing on different dimensions, proposed in the literature. Elinor Ostrom (1999) talks about ‘nested’ institutions where the interaction is bounded by multiple internal rules, i.e. rules containing yet another layer of rules, and so on. Paul Pierson (2000b) adds another aspect, the multiple positioning of institution/rule, which could simultaneously be a part of two or more institutional matrixes (also known as ‘issue networks’), and which he labels ‘institutional coupling’. In effort to distinguish between the individual institutions (or rules) and the matrix of institutions (policy frameworks), Kathleen Thelen (2003) and Streeck

and Thelen (2005) have proposed the notion of institutional layering, which combines the two aspects. Yet, in their analysis of the EU's policy on budgetary decision-making, Robert Ackrill and Adrian Kay employ another model where they draw the attention to two dimensions labelled 'the spatial and temporal layering of institutions' (2006: 117). They define the spatial dimension as comprising three layers: 'the macro or constitutional level; the collective choice of policy decision level; and the operational level of individual decisions' (*ibid.*). Defined in such a way, the spatial level also captures institutional stratification with each layer consecutively influencing the next one, and the operational level feeding back into the macro, constitutional layer. The temporal layer refers to the idea that institutions, which are also legacies in their own way (an embodiment of earlier choices and action), interact with and co-create their environment, thereby formatively constraining the new institutions which enter the same space.

A question of the utmost importance concerns institutional capability to exert influence upon agency. In this connection the literature is informative, for it reveals two specific modes of influence. Firstly, the framing effect of the institutions (emerging from specific institutional designs), which present both 'opportunities for action and impose constraints' (Lecours, 2005a: 9), and exert influence on agency by curtailing its scope of action. Secondly, path dependence (Greener, 2005; Peters, Pierre & King, 2005; Pierson, 2000a; Steinmo, Thelen & Longstreth, 1992), which entails adherence to a particular direction once it is adopted. Scholars accept that path dependence commences the moment a certain direction has been initiated. The further that moment is in the past, the more difficult it becomes to alter the chosen option. This in turn generates institutional inflexibility and general resistance to changes. Given that, it appears rather paradoxical that while being rigid and highly resilient, the institutions concomitantly display a good measure of adaptability, especially when that entails their survivability (Thelen, 1999). Moreover, the majority of scholars concur in their belief that institutions should be regarded as a product of continually added smaller changes rather than abrupt ones (Lawson, 2006).

While it has been recognized that the institutions do command the potential to influence both the agency and the policy end-results, scholars reject the notion that the institutions could provide an insight into what the exact results will be. At least not with any certainty. Instead, Ellen Immergut argues, 'by establishing the rules of the game, they enable one to predict the ways in which policy conflicts will be played out' (1992: 63). It appears prudent at this stage to reiterate a point raised by Lecours, who views the intended overall contribution of the new institutionalism as mainly theoretical, because 'its objective is not to describe institutions and how they work but rather to explain political outcomes and make attempts towards generalization' (2005a: 14).

Following this succinct review of multifaceted aspects of institutions, it is logically apposite to inquire what in fact the institutions are. The answer remains somewhat elusive, with a number of conceptual propositions put forward in the scholarship. An earlier classification distinguished between two types of institutions, the formal or material ones, which are usually associated with the old institutionalism (but also with the historical stream of neoinstitutionalism), and the informal or non-material institutions, which are closely related to the new institutionalism (Lecours, 2005b; March & Olsen, 1989; Parsons, 1995). While both versions of institutionalism (the new and the 'old') maintain the same initial premise that institutions are the central variable in politics, they are divided in their understanding of what that notion conveys. In the earlier version, institutions strictly connoted 'material structures' comprising mainly government.¹ Under this view, the institutional approach was conceptualized as a 'study of political institutions (...) concerned with the rules, procedures and formal organization of the political system and their impact on political practice' (Marsh & Stoker, 1995: 8). Reappearing in the 1980s, the new institutionalism has brought about a shift in such perception by broadening the notion of institutions to include other, non-material aspects such as rules, norms, values and beliefs (Hall & Taylor, 1996; Lecours, 2005b; Parsons, 1995; Peters, 1999).² Having said this, it would be misguided to claim that the formal institutions cease to have relevance. Quite the contrary, as Francis Fukuyama noted in his discussion on the limits of institutional design, the qualitative relationship between the two is rather that of interdependency:

Formal institutions matter, they change incentives, mould preferences, and solve (or fail to resolve) collective action problems. On the other hand, the informal matrix of norms, beliefs, values, traditions, and habits that constitute a society are critical for the proper functioning of formal institutions and a political science that pays attention only to the design of formal institutions and fails to understand normative and cultural factors will fail. (2006: 6)

Such a conceptual widening of the new institutionalism has provided for further fragmentation in approach. Scholars have pointed to a variety of streams which, while still converging around 'common concern with the structures of public sector' (Peters, 2000: 207), diverge in the focus of their inquiry (John, 1998; Kingdon, 2003; Lecours, 2005b; Peters, 1998). To mention only a few, Lecours (2005a)

¹ Such materially conceived institutions include 'constitutions, cabinets, parliaments, bureaucracies, courts, armies, federal or autonomy arrangements, and in some instances, party systems' (Lecours, 2005a: 6).

² Colin Hay has problematized such a broadened notion which threatens to 'dilute' the institutional concept, and insists the notions of culture and social norms should not be included (2002: 145-146).

discusses three streams, including historical institutionalism, for which earlier actions are the most relevant variable in explaining institutional performance (see also Evans, Rueschemeyer & Skocpol, 1985; Steinmo *et al.*, 1992; Thelen, 1999); rational choice institutionalism, which is concerned with 'the rules of the political game' (North, 1990; Ostrom, 1999), strategic activity of actors and balance, i.e. 'equilibrium' (Shepsle, 1989); and sociological institutionalism that covers norms, routines, values, culture, ideas, beliefs and cognitive script (Lecours, 2005a: 17; March & Olsen, 1984). Each stream has been subjected to a certain amount of criticism. As Peter Hall and Rosemary Taylor posit, objections directed toward the rational choice stream pertain to the changeable nature of the interests of the political actors involved, the high improbability they will maintain a steady and complete information flow (required to make rational decisions), and the unlikelihood that they will remain constantly 'self-interested and self-serving utility maximizers' (1996: 95). Space limitations here allow only a brief mention of the objections directed toward the rational choice institutionalism, while some of the criticisms aimed at the sociological and historical streams are commented upon in the following sections.

Going back to the discussion of various approaches in institutional analysis, there are other commentators who argue in favour of different systematizations. For instance, Parsons has confined his categorization of approaches to economic, sociological and political institutionalism. What distinguishes political institutionalism from the other two is a concern with the "autonomy" of the state in policy-making and the relationship between state and society' (Parsons, 1995: 223). In contrast, Peters (2000) has suggested a total of seven types of new institutionalist streams, with normative, empirical (comparing models of political governing), institutionalism of interest representation (examines the dynamics and interaction of political parties and interest groups), and international institutionalism, in addition to historical, sociological and rational-choice branches.

Such an abundance of approaches has stimulated a vibrant discussion with calls for integration of the various new institutionalist streams³ (Hall & Taylor, 1996; John, 1998; Peters, 1999; Thelen, 1999), but also a complete renunciation of some of its streams (Reich, 2000). It has to be noted, with regard to the integralist proposition, that a number of studies employed investigations which do not strictly adhere to one specific approach. Rather, they converge two or more streams in the analysis or simply borrow some of their elements. Some authors, like Hall and Taylor (1996: 957), strongly advocate such developments and argue that a 'crude synthesis' of the three streams (historical, sociological and rational-choice) is all but natural and required. Other scholars object to such a drive, arguing that the scale of

³ For instance, March and Olsen assert that political systems largely represent not one, but a blend of different 'organizing principles' (2005: 5).

dialogue between the streams is far more restricted due to their different and incompatible 'social ontologies', which are based on 'calculus' and 'cultural' approaches (Hay & Wincott, 1998: 951). Nevertheless, this article belongs to the first camp in utilizing an approach which predominantly relies on sociological new institutionalism, but also incorporates elements borrowed from the historical stream such as path dependence. The specifics of both streams and their potential for application follow below.

2. Sociological Institutionalism

As often pointed out in the literature, the sociological stream of the new institutionalism has emerged in response to the rational choice theories (Lecours, 2005b; Parsons, 1995). Sociological institutionalism starts by rejecting the notion that the choice of institutions (the institutional design) and procedures are informed by calculated rationality and efficiency. Proponents of sociological institutionalism have instead suggested that institutions, institutional design and their conduct should be interpreted in reference to culture. More precisely, they are seen as reflecting the reproduction processes of the context-specific cultural practices and their diffusion (Hall & Taylor, 1996). In distinguishing the sociological approach from the other two, Lecours has emphasized its orientation towards 'the cognitive, rather than the historical or strategic, dimension of institutions. Power relationships are entangled in this cognitive institutional web rather than manifested in individual behaviour' (2005a: 17).

In their influential article, Hall and Taylor (1996) critically reviewed the three streams of the new institutionalist approach: historical, sociological and rational choice. In their elaborate summary of the main features of the sociological approach,⁴ they comment on several important points, including a particular conceptualization of institutions. These are conveyed very broadly, and encompass 'not just formal rules, procedures or norms, but the symbol systems, cognitive scripts, and moral templates that provide the "frames of meaning" guiding human action' (*ibid.*: 947). One of the observed downsides of institutions conceived in such a way refers to their questionable efficiency, as the choice of institutions and methods of operation is often based on their cultural congruity (*ibid.*). Nevertheless, such conceptualization of institutions as non-material and particular cultural constructs has

⁴ Hall and Taylor (1996) recalled that the entire approach splintered from organizational theory in the late 1970s. Unlike organizational theory, which assumes cultural diversity and investigates the existence of multiple cultures within the same organization (Peters, 2000: 208), sociological institutionalism rests on a particular understanding of cross-societal 'uniformity in values' and the presence of a rather distinctive and homogenous culture.

proved to be surprisingly resilient and durable. Following along this line, March and Olsen reflect on this particular institutional feature, and assert that:

An institution is a relatively enduring collection of rules and organized practices, embedded in structures of meaning and resources that are relatively invariant in the face of turnover of individuals and relatively resilient to the idiosyncratic preferences and expectations of individuals and changing external circumstances. (2005: 4)

Considering this, Daniel Béland (2005) avers that sociological institutionalism stretches the farthest in its understanding of institutions. Accordingly, the institutions are conceived in an exceptionally broad sense, which, as Hall and Taylor recall, effectively renders indistinctive the analytically important boundary of institutions and culture.⁵ Moreover, in this approach, culture itself becomes another and significant institution.

The second important variance of sociological institutionalism, endorsed by Hall and Taylor, refers to a particular, culturally conditioned perception of the 'relationship between institutions and individual action' (1996: 948). According to them, the earlier version of sociological institutionalism proposed describing this relationship by introducing the notion of 'normative dimension' and 'associating institutions with "roles" to which prescriptive "norms of behaviour" were attached' (*ibid.*). The internalization of these norms, they suggest, transpires through the process of integration of an individual into a well-defined, fixed 'institutional role', which consequently frames behaviour. In contrast to such a functional interpretation of the link between an institution and action, Hall and Taylor bring up a more recent line of thought. Precisely the sociological institutionalists resorted to another strategy in describing institutional influence, labelled the 'cognitive dimension' (*ibid.*). It is suggested under this view that, rather than offering predetermined roles, the 'institutions influence behaviour by providing the cognitive scripts, categories and models that are indispensable for action' (*ibid.*). This is to say that institutions indicate and steer the course of action that is both possible and contextually appropriate. In such a way, Hall and Taylor assert, institutions are believed to have a direct influence on penchants of the actors and their identity. This led them to conclude:

It follows that institutions do not simply affect the strategic calculations of individuals, as rational choice institutionalists contend, but also their most basic preferences and very identity. The self-images and identities of social actors are said to be constituted from the institutional forms, images and signs provided by social life. (*ibid.*)

⁵ In their study, Hall and Taylor refer to culture as conveyed by Almond and Verba, reflecting 'shared values and attitudes' (1996: 948).

Furthermore, they have underlined general consent among scholars on the nature of the interrelation between institutions and individual action, which is one of ‘highly-interactive and mutually-constitutive character’ (*ibid.*).

Another important aspect emphasized by the two scholars concerns specific understanding of action, which sociological institutionalists see as closely linked with interpretation. March and Olsen (1989) explain this by referring to an individual actor who, when deciding on a particular course of action, pursues it in accordance with two factors; its own perception of the situation and an existing rule for action. However, in the absence of such a rule, March and Olsen (*ibid.*) suggest, the actors will choose the course of action according to the closest, most similar rule applicable. Hall and Taylor (1996) term this principle ‘practical reasoning’. They assert that action determined by such terms does not necessarily lack rationality or lose focus on the objective. However, the very perception of what could be possibly comprehended as a rational action is already and in advance ‘socially constituted’ (*ibid.*: 949). Action framed in such a way, they maintain, implies that institutions and individuals are less concerned with an urge to ‘maximize their material well-being’ than to ‘define and express their identity in socially appropriate ways’ (*ibid.*).

In their seminal work, March and Olsen (1989) have claimed that institutional behaviour should not be comprehended as guided by rationality only. It is profoundly affected and liable, as Lecours has encapsulated, to ‘internalized principles and values, cultural features, identity and habit’ (2005a: 10). They oppose the logic of consequentiality, which views behaviour as driven by anticipation of specific outcomes with the logic of appropriateness (or legitimacy) that denotes a type of action in which participants choose actions in keeping with established rules and/or values (March & Olsen, 1989). Peters interprets the logic of appropriateness as an institutional feature ‘that is transmitted to their members and which those members in turn use to structure their own behaviour’ (1998: 122). However, it is often the case that the values underlying the institutions and action are diverse and conflicting, as Davis Bobrow and John Dryzek point out:

The values informing policy design will rarely be few, fixed, and consistent. (...) But interesting policy problems normally feature multiple, changeable, and conflicting values. A rough consensus on values among the relevant actors is required at some point if policy design is to proceed – if not at the outset, then during the course of design. (1987: 19-20)

An obvious problem emerges when this logic of appropriateness is applied to the context of post-communist, post-conflict and polarized societies that have embarked on democratic transition, as well as post-war reconstruction and reconciliation. While they might nominally adhere to the norms and values usually espoused by a democratic political system, such as the rule of law, justice and equality, or the

protection of human and minority rights and freedom of movement, it is not inevitable that these principles will truly substantiate and guide the politics and policy in such states. More frequently, culturally appropriate patterns (often associated with and deeply rooted in the previous authoritarian system), including undemocratic and discriminatory conduct, will prevail. In a way, evidence indicates that such troubled states favour particularistic interests and specific groups at the expense of others which are constructed as 'undeserving' and less worthy (Black, 1997; Schneider & Ingram, 1997). For example, observations derived from the data on Croatian refugee repatriation policy (see Djuric, 2010), suggest that the application of the logic of appropriateness enables the creation of a circular and self-enforcing argument that justifies preferential treatment of one group (the ethnic Croat majority) and transgressions against the other, minority group (the ethnic Serbs). On the one hand, a constant and enduring reproduction of such cognitive maps (scripts) and beliefs has functioned in a self-fulfilling way in the reiteration of the perceived inferior position of a particular group, while on the other hand, it has been purposefully maintained as another means to substantiate, firstly, an unequal distribution of limited resources (ranging from exclusion from the provision of basic services, such as the utilities, to a discriminatory employment policy); and secondly, the mistrustful and resentful resistance to ensuring access of ethnic minorities to more specific decision-making, as well as political participation in general.

Actual general compliance with what is comprehended as an appropriate social norm invites two very important questions; in what way is a unitary, hegemonic discourse of socially-accepted behaviour decided and imposed, and by whom? To that effect, Hall and Taylor note that the scholarship distinguishes three potential 'sources of cultural authority' (1996: 949). One group of scholars advocates the viewpoint that the state is the ultimate source of standardization and universality, and 'imposes many practices on societal organizations by public fiat' (*ibid.*). The second notable trend focuses on professional communities and their mechanisms in imposing standardized codes of practice. The third group concentrates on the participants' interactions within the daily social networks (based on employment, education, churches) that buttress the dissemination of the common 'cognitive maps' which, conversely, provide ready-made guidance for 'appropriate institutional practices' (*ibid.*: 950).

In this study, the first view is adopted, according to which the state is seen as the ultimate cultural authority that props up the development and dissemination of cognitive maps. Such a state of affairs is only strengthened by the ingrained traditions of a strong state emergent during communism, when the state overwhelmed and exhibited control over all spheres of life, and where its counterpart, civil society (conceived in the Western sense), was virtually nonexistent and only commenced its

development following a systemic change and democratic transition. Despite popular beliefs and the wishes of politicians, such a tradition has neither entirely disappeared nor done so literally overnight (Bunce, 2005; Johnson, 2001). Instead certain of its aspects have survived the systemic change, but remain concealed. Juliet Johnson elaborates on the issue of institutional recycling by pointing out the trends of combining old and new elements of institutions in the post-communist countries with 'the reuse of old institutions to serve new ends, the creation of market-oriented institutions where none previously existed, and the redirection of institutions to act as links between state and society rather than as instruments to oppress society' (2001: 253).

In post-communist countries such as Croatia, where a change of regime triggered civil conflict, the processes of democratic consolidation were suppressed and delayed, with the earlier traditions of a strong authoritarian state invigorated. Bearing in mind the potential effect of institutional legacies, the next section outlines the main features of another theoretical approach – historical institutionalism. In particular, its explanatory potential encapsulated in the concept of path dependence assists in uncovering the effects of past institutions (those effective before the regime change) on the situation afterwards. Moreover, two approaches – sociological and historical institutionalism – are compatible and, as George Lawson points out, both 'focus on how institutions develop and adapt rather than on how they function' (2006: 410). Similarly, the integration of several approaches is not so uncommon, and is even desirable, as Thelen (1999: 371) has asserted, and proven beneficial to analysis.

3. Historical Institutionalism

Historical institutionalism is preoccupied with the temporal aspect of the institutional and policy process, or more precisely, 'how institutions emerge from and are embedded in concrete temporal processes' (*ibid.*). Scholars employing this approach argue that institutions and policy development should be comprehended as a result of 'a discrete process' (Peters, Pierre & King, 2005: 1276); which is strongly affected by the initial decisions and design that limit future options (Greener, 2005: 62). That is why Peters, when discussing historical institutionalism, lays emphasis upon 'the importance of the structural choices made at the inception of a policy' (2000: 210).

A review of recent literature yielded numerous reports which utilize a historical approach in explaining institutional action. Historical institutionalism has attracted plenty of interest owing to its successful combining of two distinctive views – the calculus and the cultural approach (Hall & Taylor, 1996). Compared to the sociological stream, historical institutionalism determines the notion of institution less

specifically. For them, institutions connote both 'the formal or informal procedures, routines, norms and conventions embedded in the organizational structure of the polity or political economy' (*ibid.*: 938). Moreover, historical institutionalism displays a particular view of the state, which is no longer perceived as a 'neutral broker among competing interests but as a complex of institutions capable of structuring the character and outcomes of group conflict' (*ibid.*). Shifting from neutrality to a more active role, the state significantly influences both the generation of asymmetrical power relations and their maintenance. It is precisely this type of relations and their outcomes, or as Hall and Taylor put it, 'how some groups lose while others win' (*ibid.*: 941), that the historical institutionalists are concerned with. For the adherents to this approach, conflict and particularly inter-group competition over limited resources is at the core of politics (*ibid.*: 937). Moreover, the notion of conflict is central to the approach and has profoundly influenced its analytical point of departure. It is in these terms that one should comprehend Thelen's observation that 'historical institutionalists see institutions as enduring legacies of political struggles' (1999: 388). On the one hand, historical institutionalism seeks to examine the allocation of resources that are deeply affected by power asymmetry (Ma, 2007: 63; Reich, 2000: 505), while on the other hand, it remains vigilant of the local contexts deemed to be an important mediating variable to those processes (Hall & Taylor, 1996: 939). The latter point of departure is firmly grounded in a belief shared by historical institutionalists, according to which institutions are an expression of particular socio-political circumstances. Moreover, as Thelen (1999: 384) has asserted, institutions and the respective social and political context cannot be separated, but rather ought to be examined jointly.

Although the approach benefits from the successful incorporation of a context in the institutional analysis, its explicative potential has been grossly disparaged too. The criticism points to the inability of the historical stream to theorize about contemporary or future developments. Instead it is solely focused on analysis of the past. Moreover, many objections have been raised, pointing out that even such concentration on the past is in essence very selective. The institutional and policy development and reproduction are perceived as a relatively stable process, which, according to Guy B. Peters, Jon Pierre and Desmond King, is a seriously flawed conviction, for it omits the detection of an underlying process of burgeoning political conflict and disagreement (2005: 1277). Related criticism emphasizes that historical institutionalism neglects the potential for universally applicable generalizations. Instead it endorses the view of the uniqueness of a particular sequence of events which has certain effects. This causal link, as already mentioned, is labelled 'path dependence'. It is unintentional and, as Hall and Taylor assert, it encapsulates the understanding 'that the effect of such forces will be mediated by the contextual features of a given situation often inherited from the past' (1996: 941). A good

example of this is the policy of the Croatian government towards the rights of national and ethnic minorities. Given the fact that minority rights protection policy spanned across the two successive political systems in force in Croatia (the earlier communist system followed by the democratic one), this suggests that the concept of path dependence holds a great deal of potential in an endeavour to identify the elements of continuity in minority protection, as well as to inform the relevant institutional and policy analysis. Hence its mechanism requires some further attention.

3.1. Path Dependence

In recent years, social scientists have grown increasingly interested in path dependence (Campbell, 2004; Pierson, 2000a; Steinmo *et al.*, 1992). The debate over whether the concept has the potential to become a fully fledged theory on its own has been thwarted by opposing views, with some researchers asserting that it is nothing but an empirical category (Kay, 2005: 554), or at best a model (Ostrom, 1999). Be that as it may, the concept of path dependence remains central to historical institutionalists' accounts. The leading authority on path dependence, Pierson, refers to it in terms of a 'causal relevance of preceding stages in a temporal sequence' (2000b: 252). John Campbell has encapsulated the quintessence of path dependence neatly as:

a process whereby contingent events or decisions result in the establishment of institutions that persist over long periods of time and constrain the range of actors' future options, including those that may be more efficient or effective in the long run. (2004: 65)

Reflecting upon the explanatory aim of path dependence, Pierson has succinctly summed up a range of claims elaborated by some of the most relevant authors in the field, such as Ruth Berins Collier & David Collier, G. John Ikenberry and Stephen Krasner:

The notion of path dependence is generally used to support a few key claims: Specific patterns of timing and sequence matter; starting from similar conditions, a wide range of social outcomes may be possible; large consequences may result from relatively "small" or contingent events; particular courses of action, once introduced, can be virtually impossible to reverse; and consequently, political development is often punctuated by critical moments or junctures that shape the basic contours of social life. (Pierson, 2000b: 251)

The appealing strength of path dependence, Ian Greener argues, lies precisely in its promising explanation of the mechanism of change, which is sought in the interrelationship of all three cultural and structural spheres, and human agency (2005: 69). In pondering a strategy to approach the study of path dependence, Greener

advises starting by identifying the original and multiple options that preceded the selection and installation of the particular path (*ibid.*: 68). Moreover, any credible identification of the path dependent institution requires two things: first, uncovering the evidence, that is, ‘what elements and circumstances combine to form a path-dependent system’; and second, to identify the means of reproduction of such a system (*ibid.*: 63). In relation to the latter, the path dependency reproduction, Hall and Taylor point to two views prevailing in the literature. Early research described the emergence of path dependent relationship and its sustainability by reference to ‘the impact of existing “state capacities” and “policy legacies” on subsequent policy choices’ (Hall & Taylor, 1996: 941).⁶ Another and more recent way to approach path dependency reproduction relies on the influence of ‘societal forces to organize along some lines rather than others, to adopt particular identities’ (*ibid.*).

In addition to examining factors contributing to path dependence emergence, researchers have posed another important question asking what forces work to sustain path dependence. This matter has been extensively examined, with concerns emphasized about the costs associated with adherence to the existing path as opposed to the costs incurred by changing. The latter is usually seen as outweighing the potential benefits from a path change. In describing this phenomenon where adherence to an often sub-efficient path yields more cost-effective results, Pierson (2000a) refers to the concept of ‘increasing returns’, which is a notion borrowed from the study of economics. The idea has found many supporters, with some contending that this is the ultimate origination of path dependence, while others argue it is merely one of its aspects (*ibid.*: 251).

The cost calculations and firmly-developed network of established interdependent interests combined produce institutional and policy inertia. Consequently, they represent a considerable obstacle to change and remain an important source of path dependency maintenance. This process has been recently summarised by Greener:

Once the logic of path-dependent policy or institution has been established, it will tend to generate an inertial force where established vested and cultural interests have a high opportunity cost for challenging the system (based on a “necessary” relationship both within and between the groups). This will tend to lead to morphostasis, which is most likely to appear where “necessary” emergent properties are reproduced in the policy or institution. (2005: 68)

Apart from the focal influence of various concerned interests resisting change, other authors have pointed out the perseverance of institutional stasis in the oppo-

⁶ The most reputable work utilizing this approach is the edited volume of Peter Evans, Dietrich Rueschemeyer & Theda Skocpol (1985).

site situation and within asymmetrical systems, where minority interests are those demanding institutional and/or policy change. This is, for instance, exemplified by Serb minority appeals for changes to Croatia's post-war minority protection and refugee repatriation policies. In that respect, Siobhán Harty poignantly observes that 'institutional stasis is still likely even in cases where a weaker actor seeks change. The study of politics is replete with marginalized, underprivileged, and minority groups who seek change but do not have the means to achieve it' (2005: 57). Nevertheless, and in spite of vigorous opposition, institutional and policy change still take place.

At this point it is important to recognize that most authors agree that new institutionalism is better equipped to explain stability than change. The fact that the study of public policy has been developed and extensively utilized in the analysis of relatively stable political systems, such as established Western democracies, renders even more pressing an inquiry into its suitability and relevance to the environments which are experiencing a significant amount of change, as is the case with post-communist and post-conflict societies and their institutional and policy frameworks. In that regard, the combined strength of elements of sociological and historical institutionalism, precisely the logic of appropriateness and path dependency can provide a constructive platform to approach an analysis of institutions and policy.

Conclusions

By engaging with the new institutionalist approach, the study has adopted a specific view of institutions. These are seen as having a central role in politics and the policy process, and as such, represent the most important analytical variable. According to this school of thought, the role of institutions is not restricted to mere delivery of a given policy. As has been argued, institutions (conceived in March and Olsen's [1989] sociological terms as norms, rules, values, beliefs, and cognitive scripts, in addition to the traditional material connotation of the term) are also agents involved (deliberately or not) in policy alterations. Institutions conceptualized in such a way are disseminated and enforced through the vertical dimension of the policy process, with both, support and resistance, being negotiated through the horizontal dimension.

Both policy-making and its implementation are complex issues, dependent on a number of variables or their interplay with the potential to yield unforeseen consequences and originally unintended effects. In other words, an entire policy process is an area that, in spite of trends towards heavy institutionalisation (thereby regulation), exhibits the potential to create a great measure of uncertainty, something that contradicts the very essence of institutional theory and institutions, and of the institutional drive to ensure stability and preserve certainty.

Apart from an unintended but potentially negative influence which could result in hardship and inequality for certain segments of the population, a negative impact is distinctly probable in such states where institutions and policies have been designed to disadvantage certain groups in the first place. Such a scenario is especially likely in societies that are emerging from violent conflicts and are therefore susceptible to designing their institutional and policy framework favourably to the victorious faction, while discriminating against the defeated side (and the population perceived as belonging to it). What it entails is unequal treatment of certain groups embedded in both the institutions and policies, along with a biased distribution of already strained resources (material and non-material). In many cases, such a divide happens to follow an ethnic fault-line that has been reportedly acknowledged in the literature as backing the reproduction of division between the groups, deepening the cleavage and disrupting national unity. Such developments have been found to be particularly harmful to aspiring democratisation processes in such societies.

In spite of the continuing interest of scholars in the institutional design for democracy and its functioning in post-communist contexts, there has been limited research into the effects of past legacies and institutions, as well as values and beliefs. Many of these have crept, even if disguised, into emerging democratic systems. These processes, as has been argued in this article, are believed to be best explained by conjoint utilisation of historical and sociological streams of the new institutionalist approach to institutional and policy analysis.

For historical institutionalists, the temporal aspect, with earlier actions causally linked to the structuring of legacies and path dependence, represents the main variable influencing institutional behaviour. Sociological institutionalism relies on an understanding of institutions as culturally specific products and emphasizes their cognitive aspect. Scholars employing this approach argue that institutional action is guided by the logic of appropriateness (instead of consequentiality, as is usually assumed) and predetermined cognitive scripts, which are sanctioned by the cultural authority in a given society. It has been suggested in this approach that there are three potential sources of cultural authority – the state, professional networks, and daily socialisation pressures. However, in the post-communist states (and due to the legacies of a strong state) which are also recovering from conflict, the state or government has a pivotal role and enjoys the position of supreme cultural authority. It is responsible for the formation, dissemination and reproduction of institutions, as well as their imposition on society.

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