

Prof. Dr. Michael W. Bauer
Jean Monnet Professor
Chair of Comparative Public Administration and Policy Analysis
michael.bauer@uni-speyer.de

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MICHAEL W. BAUER

CHRISTOPH KNILL

**UNDERSTANDING POLICY DISMANTLING: AN
ANALYTICAL FRAMEWORK**

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2.1 Policy change and policy dismantling

The issue of policy dismantling is linked to one of the most central topics in the study of public policy: the analysis of policy change. Under which conditions can we expect adjustments or transformations of existing policies? Why do some policies remain in place despite their limited effectiveness while others are changed? Do policies follow a sequential path of development over time? Why do policies change sometimes incrementally and sometimes radically? These are only just some examples of the many questions that have guided research throughout the last decades.

Notwithstanding considerable progress in understanding policy change, we are still left with many open questions and challenges. There is a long tradition of political scientists and sociologists studying policy and institutional change, but it is fair to say that no consensus has been reached on how to conceive of 'change' theoretically, let alone how best to operationalize it (Howlett and Cashore 2009; Capano 2009).¹ One factor that may account for this partially unsatisfactory situation refers to the fact that the analysis of policy change has so far primarily concentrated on the assessment and explanation of different degrees of change. The distinction between different orders of change (Sabatier and Weible 2007; Hall 1993), that is to say radical versus incremental (Baumgartner and Jones 1993), path-breaking versus pathdependent (Thelen and Steinmo 1992), or self-reinforcing (Pierson 2000; Hacker 2004) versus reactive sequences (Mahoney 2000; Streeck and Thelen 2005; Mahoney and Thelen 2010), lies at the heart of the debate, regardless of the specific theoretical perspective adopted. Yet the precise direction of policy change has still not been fully taken into account.² It is this gap that we seek to address in this book. In doing so, we concentrate on the extent to which policy change implies the 'reduction', 'decrease', or 'diminution' of existing policy arrangements.

In analysing dismantling, we explicitly focus on a specific direction of policy change. This does not mean that we exclude the possibility of developments into the other direction, namely policy expansion, or potential tradeoffs between expansion and dismantling. In concentrating on dismantling, however, we aim to elucidate some of the causes, conditions, and strategies of a distinctive pattern of change that so far has not been incorporated into more general account of policy change. Hence, focusing on policy dismantling is in our view not an alternative, but an important complement to studying policy change.

2.2 The puzzle of policy dismantling

Policy dismantling can, as explained in Chapter 1, be studied from many different angles and perspectives. In this book we are interested in two interrelated sets of questions (Immergut 2010). First, under which conditions do politicians engage in policy dismantling, given that dismantling can in some circumstances produce potentially painful changes for (at least some) societal groups? Second, if politicians attempt to engage in policy dismantling, can we explain which kind of dismantling strategy they choose given other actors' preferences, institutional constraints and opportunities, and specific situational factors? The first question addresses the conception of actor preferences, or more specifically, the preferences of ruling politicians who are very often the main actors in the play. The second question requires us first of all to distinguish between the kinds of dismantling strategies that are in principle available, and then to study the relationship between politicians' preferences, the institutional configurations in the specific policy area in question, certain situational factors³, as well as the intended policy effects (i.e. impacts and outcomes). These are all highly interrelated variables. Therefore it comes as no surprise that even in the very intensively researched area of social policy retrenchment, a great variety of sometimes contradictory interpretations have emerged with respect to connecting structure and agency (Obinger et al 2010; Häusermann 2010).

We identified one aspect of policy dismantling as being especially puzzling: why might rational, utility maximizing politicians whose ultimate goal is usually to ensure their own reelection, deliberately and consciously engage in something as potentially unpopular as policy dismantling?⁴ The broad question which we confront throughout this volume is precisely why and how do politicians make this choice in a set of constantly changing circumstances and opportunities?

In our attempt to understand policy dismantling we see politicians (and, more specifically, governments and legislators) as key actors. Treating them as the central actors in the dismantling 'game' does not mean that the policy and institutional contexts in which they operate are in some senses unimportant; on the contrary, they have to be systematically included too because they shape the opportunities for and constraints upon their actions. This is why the case studies in Part II examine situations in which politicians want to dismantle; our focus is thus mainly on their choice of dismantling strategy. Therefore, alongside the first question—namely 'when do politicians engage in policy dismantling?'—has to be placed a second question: 'if politicians engage in policy dismantling, what factors should be considered in order to reveal systematic relationships between their preferences and their subsequent choice of strategy?' Disentangling these factors, summarized in Figure 2.1, is the central challenge ahead.

To that end, this chapter develops an analytical framework which systematically formulates expectations as regards the conditions under which politicians engage in dismantling policies and the strategies they select to achieve their desired effects. Since the existing literature suggests that many aspects of dismantling appear to be highly contingent upon issue-specific factors, the

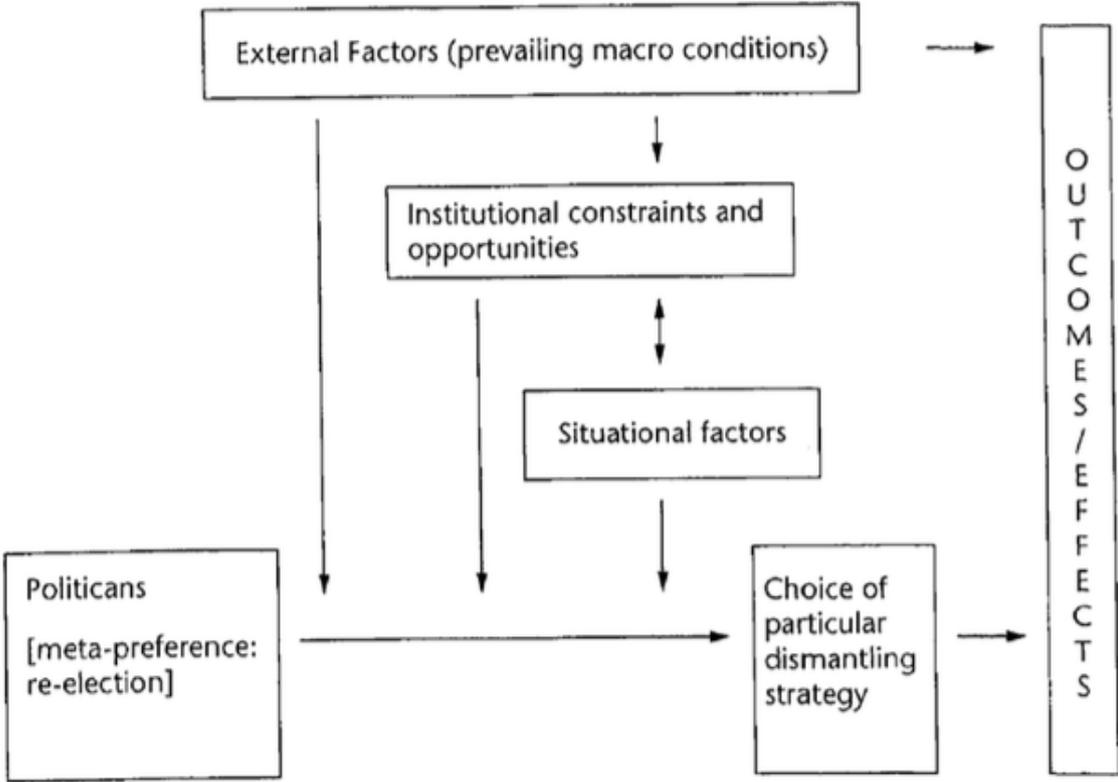


Figure 2.1. The study of policy dismantling: key analytical elements
Source: own compilation.

task of applying this framework is left to the case study chapters in Part II. However, before we start to specify the connections that emerge between them, we have to lay out our definition and analytical conception of policy dismantling.

Any attempt to study policy dismantling systematically must be clear about what is being studied. In Chapter 1 it was noted that many terms have been used to describe the underlying phenomenon of policy dismantling. Against this backdrop, this book restricts itself first and foremost to the analysis of policy outputs as opposed to impacts and outcomes (Knill, Schulze, and Tosun 2010; Jordan and Lenschow 2010:154). Normally, impacts and outcomes—in the sense of changes in environmental quality or social welfare—are difficult to study because they are usually affected by so many intervening variables (Jordan and Lenschow 2008). Put simply, it is, as noted above, the (contested) decision whether or not to dismantle and the subsequent selection and use of a dismantling strategy that we principally focus on, and not on the long-term effects of dismantling.

Second, following Pierson (2001:427), Jordan and Liefferink (2004: 36), and Knill, Schulze, and Tosun (2010), we adopt a differentiated view of policy dismantling, i.e. dismantling potentially has many various aspects which may not always 'move' in parallel or at the same speed. Adapting the typology of Hall (1993), we differentiate between policy presence, policy instruments, and policy instrument settings (see Table 2.1). We conceive of expansion and/or dismantling with regard to the presence of policy by evaluating whether new policies were added or existing ones dismantled. With regard to the instrument dimension, we measure the extent to which expansion and dismantling occurs by looking for the addition of new policy instruments or the abolition

Table 2.1. Measurement of policy expansion and dismantling

Policy dimension	Policy expansion	Policy dismantling
<i>Policy presence</i>	New policy is added to existing ones	Existing policy is abolished
<i>Policy instruments</i>	Number of instruments increases, e.g. information-based instruments are added	Number of instruments decreases, e.g. abolition of market-based instruments
<i>Setting of policy instruments</i>	Tightening of regulatory levels, e.g. higher tax level or lower maximum permissible limits for industrial emissions	Loosening of regulatory level, e.g. lower tax levels or higher maximum permissible limits for industrial emissions

Source: own compilation.

of existing ones. If an authority-based instrument is replaced by a marketbased one, we would not interpret this as policy dismantling but rather treat it as substitution. Finally, we measure changes in the *setting* of policy instruments by the extent to which, for instance, regulatory standards or tax rates are either increased or decreased. As this book compares different policy areas, we must be aware that the precise characterization of changes in instrument settings may depend on the policy in question. Thus, with unemployment benefits, for instance, a lowering of the setting (i.e. the money paid to each eligible person) implies policy dismantling, whereas with environmental pollution standards, the lowering of the maximum permissible emission limits would be interpreted as policy expansion since it increases the overall level of environmental protection. In other words, in this book we seek to develop and apply concepts that travel across different policy areas.

Policy density and policy intensity

In order to identify instances of policy dismantling, we distinguish between two further dimensions, namely *policy density* and *policy intensity* (see Knill, Schulze, and Tosun 2010). *Policy density* describes the extent to which a certain policy area is addressed by governmental activities. Policy density tells us something about the penetration and also the internal differentiation of a given policy field, subfield, or policy item. Changes in policy

density in a given policy field or subfield can be assessed by two empirical indicators: the number of policies and the number of policy instruments that are applied. The case study chapters will seek to measure the extent to which dismantling occurs by looking for the abolition of policies or policy instruments.

While policy density describes the breadth of legislative activity in a given policy field, policy *intensity* provides a basis for measuring the relative strictness and/or generosity of policies. Each decrease in policy intensity signals that a jurisdiction intervenes less intensively in a given issue area, perhaps resulting from the application of policy dismantling strategies. To measure changes in policy intensity, we can again distinguish between two indicators; namely substantial and formal intensity. Substantial intensity refers to the level as well as the scope of governmental intervention. The *level* (or setting) of particular policy instruments was mentioned above, i.e. emission limits in the case of environmental regulations or benefit levels in relation to welfare policies. Substantial intensity is also defined by the *scope* of intervention. The scope generally decreases in line with reductions in the number of case or target groups addressed by a certain policy. For example, how many factories emitting pollutants does a particular environmental policy address? Or at what age are people eligible for retirement benefits?

The measurements of changes in instrument setting could also depend on the nature of the policy area in question. For tax rates, for instance, a lowering of the setting implies policy dismantling, whereas for environmental pollution standards the lowering of maximum permissible emission limits would be interpreted as policy expansion since it generally leads to less pollution and hence a greater overall level of environmental protection. Again, we seek measures that travel across different policy areas. With regards to substantial levels of regulation, respective changes might not only emerge from 'positive' policy decisions, but also from non-adjustments to changing socio-economic context conditions or technological progress. For instance, it was noted above that non-adjustments may amount to dismantling if politicians default to increase welfare rates despite high inflation. Another example is the retention of limit values for the emission of pollutants into the air despite availability of cleaner abatement technologies.

Policy intensity, however, is not only affected by the scope and level of interventions (i.e. substantial intensity), but also by more formal aspects. Formal intensity primarily refers to the factors affecting the probability that substantial requirements are effectively achieved. In this regard, three aspects can be distinguished. A first determinant of formal intensity in more regulatory fields such as environmental policy refers to the conditions of enforcement. Second, administrative capacities are of relevance both to regulatory and non-regulatory policies. This factor takes account of the policy areas require administrative capacities in the form, perhaps, of agencies. To fulfill tasks such as the payment of benefits to recipients or the monitoring and enforcement of standards, these agencies have to be given the necessary financial, personal and organizational resources. By withdrawing these resources, governments could in effect be engaging in dismantling. Third, not only administrative capacities, but procedures are also required for the proper implementation of policies. Such procedures, for instance, refer to the extent to which all actors affected by a certain regulation have the possibility to participate in regulatory decisions. But it should also be noted that extending participation is also a well-known way to share out the blame for cuts.

To summarize, we define policy dismantling as follows:

a change of a direct, indirect, hidden or symbolic nature that either diminishes the number of policies in a particular area, reduces the number of policy instruments used and/or lowers their intensity.⁵ It can involve changes to these core elements of policy and/or it can be achieved by manipulating the capacities to implement and supervise them.

An overview of the various dimensions of policy dismantling and some indicators to measure them is to be found in Table 2.2.

Table 2.2. Dimensions and indicators of policy dismantling

Dimension		Indicators (and explanation)
Policy density	Policy density	Change in the number of policies over time (Difference between number of adopted and abolished policies)
	Instrument density	Change in the number of instruments over time (Difference between number of adopted and abolished instruments)
Policy intensity	Substantial intensity	Instrument settings ('positive' adjustments and non-adjustments) with regard to regulatory stringency or service generosity Instrument scope (Difference between increasing and decreasing effects)
	Formal intensity	Enforcement capacities Administrative capacities Procedural capacities (Difference between number and/or degree measures with increasing and decreasing effects)

Source: own compilation. See also Knill, Schulze, and Tosun (2010).

2.4 Understanding policy dismantling

We base our analysis on the two focal questions identified above, namely 'under which conditions do politicians engage in policy dismantling and which strategies of policy dismantling do they choose?' In what follows, we will take care to specify the motivational logic of costs and benefits that we think is at work in dismantling constellations of preferences and strategies; a logic that bulks large in the existing literatures on dismantling. Elements of our analysis are external factors and/or macro conditions like economic growth or the transnational spread of certain ideas, which might be very case specific and thus difficult to theorize *ex-ante*. In addition, there are the institutional opportunities and constraints stemming either from the political system or from the more specific structural configurations surrounding the policy under investigation. We also develop ideal-typical dismantling strategies that we expect actors to engage in. We then address the question of what effects can be expected from the use of these strategies.

2.4.1 Actor preferences

How then should we conceive of politicians' dismantling preferences? More specifically, why and when can we expect them to be motivated to engage in dismantling when common sense and a great deal of the existing literature summarized in Chapter 1 implies that most of the time they should not? Before addressing this question, two broader points need to be made. First of all, we assume that politicians have a 'meta-preference' to stay in office, i.e. to get and to stay elected (Budge and Laver 1986). However, politicians' situational preferences in a specific situation may be different and vary in view of other actors' diverging preferences and given external as well as institutional conditions. We argue that in such situations, policy dismantling decisions, like other policy decisions, can be understood by focusing on the political costs and benefits they generate for political decision makers, namely elected politicians holding posts in national governments.

Second, it should be emphasized that these costs and benefits refer to the respective perceptions held by political actors rather than objective indicators, i.e. the crucial point is how political actors perceive and evaluate the potential political costs and benefits of policy dismantling in the light of other actors' preferences (Lowi 1964: 707). Thus, perceived political costs and benefits should be distinguished from the social costs and benefits that are generated when policies are actually dismantled (i.e. in the language of this book, 'effects'). The latter of course refer to the extent to which adopted dismantling activities actually affect the costs and benefits experienced by societal actors via changes in policy outputs, impacts, and eventually outcomes

2.4.2 Constellations of political costs and benefits

In order to explain why politicians might be interested in engaging in policy dismantling, two basic scenarios can be distinguished. On the one hand, it is conceivable that policy dismantling is associated with political benefits that are thought to exceed the associated respective costs. In this scenario, politicians would have a strong preference to engage in dismantling activities that are highly visible and clearly attributable to them (i.e. credit claiming, or what is also termed 'Vice into virtue') (Levy 1999). This might be because the political benefits are concentrated on a few critical political actors—namely the decision makers and their key constituents—rather than being distributed across a larger number of actors within the political system (potentially even including opposition parties and/or coalition parties in government)

On the other hand, dismantling might be perceived as politically beneficial to politicians insofar as the costs of not dismantling are likely to be higher than the cost of dismantling. This second scenario is more likely in situations in which politicians are confronted with conflicting goals and thus have to make difficult decisions (policy dismantling as a lesser evil') (cf. Giaimo and Manow 1999: 993).⁶ Consider, for instance, a constellation in which political success is strongly associated with the reduction of unemployment. Under normal economic circumstances, employment rates are assumed to increase when unemployment benefits are reduced (Katz and Meyer 1990: 46; Schafer 2003: 39). In this situation, politicians either face the negative impact of rising unemployment or the political opposition (and hence electoral costs) from those losing their benefits. Both effects entail political costs and the question which is likely to vex politicians is which option to select; a choice that will strongly depend on the perception of these costs by the respective political actors, including but not limited to decision makers.

Assuming, however, that in this second scenario political costs exceed the political benefits, politicians will have a strong incentive dismantling strategies that reduce the political costs by hiding the dismantling or at least escaping a great deal of the political blame generally to rely on effects of for them. This way, the net political cost of dismantling can be reduced to the point where it does not undermine electoral chances and/or policy goals. Our general assumption throughout is that actor behavior is boundedly rational (Simon 1959); political actors select dismantling strategies to maximize their utility in a certain political opportunity structure (i.e. comprising institutional opportunities and constraints, as well as the objectives and strategies of the other actors involved), as well as the specific situational context. Put simply, politicians' behavior will emerge out of the interplay between the things they want (policy achievements, re-election, etc.), and other actors' perceived strategies and external constraints (permanent austerity, international regulatory pressures, technological changes, etc.). It is also likely that in their individual assessments of the costs and benefits of dismantling, political actors will display certain cognitive biases, especially in constellations of high uncertainty. As prospect theory reminds us, the thought of losing may have a disproportionate impact on people's cognitions than an equivalent gain. Pierson referred to this as a 'negativity bias' (2001: 413). He and others have mostly thought about this in relation to policy beneficiaries, but in principle it could just as easily apply to politicians and other actors too.

2.4.3 External factor

External factors and prevailing macro conditions like the stability of financial system, technological change, the spread of certain ideas to reform the public sector (like economic neo-liberalism), or the political saliency of specific topics, like for example the fight against climate change, have also been identified as being potentially important; they may change the way in which actors operate within their national systems, i.e. in respect to institutional settings and actors' perception of available solutions.

In this context, external shocks might play an important role. The perception, for example, that there is a crisis in a specific policy field could shift the cost/benefit balance of engaging in dismantling in favour of the latter. The more intense and the more unforeseen the perceived crisis is, the greater the political benefits (or perhaps, the lesser the political costs)

of acting against it. External shocks, however, might not only be restricted to natural or economic events. They can also take the form of political shocks, such as unforeseen elections, or sudden changes in technology. These factors are, however, difficult to systematically describe, let alone theorize ex-ante. Nevertheless, in our view, external factors constitute an important category that needs to be considered in a systematic analysis of policy dismantling (Jones and Baumgartner 2005).

2.4.4 Institutional opportunities and constraints

First of all, any dismantling activity can be expected to face considerable opposition from those actors benefiting from the status quo. The selection of strategy will surely depend on the opportunity structure comprising the electoral system, the party system, the existence of a constitutional court, or a second legislative chamber, etc. (cf. Behn 1978; deLeon 1978; Kaufman 1976; Pal and Weaver 2003b; Twight 1991). These factors affect if and to what extent the government expects to be able to realize its dismantling objectives despite political opposition. Crucially, they will bear upon the advocates, as well as the opponents of dismantling.

These opportunities and constraints can be conceptualized in different ways, including the distinction between consensus and majoritarian democracies (Lijphart 1984), or the analysis of the number, positional distance, and coherence of veto players (Tsebelis 1995; 2002). While it seems plausible that more constraints generally reduce the chances for straightforward dismantling (and vice versa), this does not mean that in such constellations policy dismantling is impossible. Simply expecting dismantling in constellations of few constraints and status quo preservation in constellations of high constraints would be misleading. Rather than focusing on the occurrence or non-occurrence of dismantling, the crucial point is how best to analyze their effects on the dismantling strategies selected by actors. Even in constellations of high constraints, there might be many opportunities for politicians to engage in 'subterfuge' (Heritier 1999), i.e. creatively by-passing institutional hurdles (e.g. by adopting ministerial decrees rather than parliamentary legislation) to dismantle policy discretely.

Second, in practice, the selection of such strategies is likely to be highly contingent upon issue-specific issues conditions – a matter best investigated in the case study chapters. However in the existing literature particular emphasis: placed on the effects of election cycles. Actors' calculations of the costs and benefits of dismantling might be affected by the election cycle. Immediately after being elected, politicians may be keener on taking a chance with policy dismantling as any cuts may eventually pay off in their term of office and/or have been forgotten about, either way providing greater room for maneuver later on.⁷ By contrast, the existing literature suggests that politicians become more sensitized to losses/costs the nearer they are to an election (cf. Pierson 2004: 54ff.).

Third, the perception of costs and benefits might be strongly affected by the partisan position of policy makers, and thus by the opportunities and constraints offered by particular constellations of party systems (see Häusermann 2010). As parties from different ideological or party-political backgrounds strive for different policy goals in order to gain re-election, different policy choices across space and time in modern democracies should be attributable to the varying composition of governments and legislatures. Parties that compete for votes need to implement those policies that most satisfy their voters, once they have won control of the decision-making process (Downs 1957). The ability of a particular party to engage in dismantling policies thus depends on the character of the concrete opposition which it faces. For example, in a country where no other party to the left exists, but there is competition from the liberal-conservative corner, then in a 'Nixon-goes-to-China' manner, a greater range of dismantling options might be open to a social-democratic government than if there is an centre-left opposition able to mobilize against them.

Policy and office-seeking objectives are in practice heavily interwoven (Muller and Ström 1999). Indeed, existing research has convincingly demonstrated that parties in government do deliver those policies that they promised in their manifestos (McDonald and Budge 2005). It can thus be expected that the positions of parties in legislatures and governments should at least to some extent translate into policy outputs. Thus the strength of the pro-

environmental preferences of parties in government and legislatures should be observable in relation to dismantling (Knill, Debus, and Heichel 2010).⁸

Fourth, the political costs of dismantling might be reduced if domestic policy makers are able to shift the blame to the sub-national, supranational, or international level, or to new agencies (Hood 2011), hence playing Putnam's (1988) two-level game (see also Pierson 1994: 173). Such options are particularly feasible if countries are legally obliged by international or EU treaties to dismantle certain policies.⁹ In particular, the welfare state retrenchment literature focuses on how blame avoidance strategies 'indirectly' manipulate a policy that enjoys the support of a majority of the electorate (Weaver 2011). This can be done by seeking coalition with the opposition or by 'grandfathering' painful decisions (i.e. they are only enacted in the future in the hope that votes will have forgotten who to blame). Another intriguing example is that of 'decentralization', i.e. the political responsibility for a certain policy is decentralized but without sufficient funding, thereby forcing sub-national authorities to enact and justify cuts (Levy 2010: 557). Moreover, how certain policies are designed and implemented in a particular country often reflects the specific traditions, standard operating procedures and ways of doing things that have emerged over long periods of time. Such factors are usually discussed under the heading of policy legacies (Taylor-Gooby 1999).

Finally, the policy level factor that we are most interested in exploring in this book is how far the cost/benefit calculation is affected by the nature of the policy in question; in particular, the extent to which costs are dispersed or concentrated. As explained in the previous chapter, the welfare state retrenchment literature generally assumes that cuts impose immediate costs on specific groups in return for diffuse, long-term, and uncertain benefits to the population as a whole. Therefore, mobilization against cuts is easier than mobilization behind them (Pierson 1996; Levy 2010: 553). Wilson's work (1980) on the politics of regulation identifies a reason for why this might be so. He distinguished between policies on the basis of whether the associated costs and benefits are either widely distributed or narrowly concentrated. When both the potential costs and benefits of dismantling a certain policy are widely distributed across the affected actors, politicians may expect little or no opposition and thus proceed to dismantle, in which case majoritarian politics are likely to be the order of the day. When, by contrast, both the expected costs and benefits of a certain policy are perceived to be concentrated on certain actors, the selection of strategies is likely to involve interest group politics. If the expected costs are, however, perceived to be concentrated on particular actors and the benefits diffused, a government may encounter opposition from dominant interest groups. In this case, entrepreneurial politics are the likely to dominate. This implies that policy change—in our case dismantling—requires the presence of 'political entrepreneurs' who are willing to develop and cultivate support for political proposals despite strong societal resistance. The fourth and final scenario consists of a situation in which costs are diffuse and benefits concentrated. In such a case, governments are likely to be confronted with a relevant interest group that is favorable to its dismantling strategy, and a clientelistic form of politics is the more likely outcome.¹⁰

Following Wilson's approach, it is hence not just the policy type (Lowi 1964) that will determine the politics and effects of dismantling. Rather, we need to precisely account for the extent to which the costs and benefits of dismantling are distributed across the affected actors, and the extent to which these actors are able to organize and mobilize for or against it. The perception of costs and benefits with regard to a certain policy is hence not only affected by policy characteristics, but also by the organizational and institutional structure characterizing a political system.

Against this background, this book compares patterns of policy dismantling across two policy areas that are characterized by different constellations of costs/benefits, namely environmental and social policies. For environmental policy, dismantling can be expected to be supported by well-organized economic interests benefiting from lower regulatory levels while the disadvantages (in terms of higher pollution levels) are widely diffused across the population. Depending on the strength of environmental interest groups, we should—according to Wilson—expect either interest group or clientelistic politics. In terms of the latter, dismantling may well be a rewarding endeavor for political actors, while in the case of the former, the assessment of political costs and benefits will depend on the relative strength of

the interest groups involved. For social policy, by contrast, we should expect constellations in which the costs and benefits of dismantling are strongly dispersed. This would imply that the respective wishes of voters has a decisive effect on the political cost/benefit calculation made by politicians. It is, however, also conceivable that concentrated dismantling costs might go hand in hand with diffused benefits for the general public. According to Wilson, this is the scenario of entrepreneurial politics, implying that political actors may well engage in dismantling although potential political rewards for them are unlikely to be clear cut.

2.4.5 Strategies of policy dismantling

Having considered why politicians might have a basic preference to dismantle as well as the opportunity structures in which to decide to dismantle, we still have to understand which strategies they select to engage in policy dismantling. We think of a dismantling strategy as a certain mode, method or plan chosen to bring about a desired effect.

Depending on the specific constellation of factors affecting the political preference and the political capability to pursue policy dismantling, governments might choose radically different strategies to realize their preferences. Chapter 1 identified two main alternatives: politicians may wish to hide what they are doing or they may wish to publicize it. Furthermore, their strategies might change over time as a result of changes in political alliances or macro conditions (fiscal austerity, changes in technology, etc.). At the same time, different dismantling strategies might be pursued in different combinations.

We develop four ideal-type dismantling strategies that seek to shed light on these possible interactions, which rest on a number of central assumptions. First, as noted above, we assume loss sensitive, rational actors who choose their (dismantling) strategies in view of how best to reach their specific dismantling aims in the context of other actors' preferences and resources, and the political opportunity structure that they all operate in. Second, we assume that, as noted above, the most obvious and empirically observable effect of dismantling is likely to be found in changes in policy outputs as opposed to policy impacts and outcomes (i.e. 'effects'). The interested in the strategies used by politicians to pursue their preferences, as opposed to those employed by other actors to block or otherwise impede dismantling (see, for example, Pal and Weaver 2003a: 28-9).

The four ideal-types differ along two main dimensions. First, they vary in the extent to which a political decision to dismantle is actively and consciously taken or not. At one extreme, politicians may take a very clear and conscious decision to dismantle, based on a strong interest in doing so. At the other, the cost-benefit calculus may be more finely balanced, in which case the interest in dismantling may be far weaker. Then politicians may opt in a rather more 'passive' manner, i.e. let things go their own way (Hancher and Moran 1989: 132; Bachrach and Baratz 1962). For example, they may decide not to update policies to meet changing demands—a kind of deliberate neglect. Second, they will differ in the extent to which political actors wish to hide or reveal their dismantling activities. At one extreme they may, as noted above, prefer to hide the imposition of losses; at the other, they may wish to maximize their visibility so as to appeal to certain constituencies ('vice into virtue'). The intersection of the two produces the following ideal types:

DISMANTLING BY DEFAULT: no dismantling decision; low visibility

The most subtle strategy of dismantling is the de facto reduction of social service levels or environmental protection by refraining from adjusting existing levels to changing external conditions; e.g. inflation or abatement costs. This strategy ensures generally low visibility, as the absence of any decision attracts less political attention than potentially highly politicized debates on the design of concrete plans and methods to dismantle a certain policy. It seems particularly feasible in constellations in which political actors consider dismantling to be a highly costly activity for them, or in which the expectation of far-reaching institutional constraints reduce the scope for more active forms of dismantling. We explicitly use the term 'by default' instead of 'non -decision' in order to emphasize that 'by default' can be a deliberate decision of policy makers.

DISMANTLING BY ARENA SHIFTING: active dismantling decision

decision; low visibility

This strategy is characterized by the fact that dismantling decisions are deliberately moved to another political arena. This could mean manipulating the organizational or procedural bases of a policy in a given arena, i.e. to change participation rights or organizational features which are likely to produce dismantling effects, thereby shifting the political game surrounding particular measures. Or, a more comprehensive form of shifting would be to transfer the whole policy (possibly with a different budget) to a different arena such as another government level (i.e. decentralization) or to (newly established) agencies (cf. Knill 2001). While arena shifting generally implies that dismantling decisions are actually taken (although at a different institutional level), it may not be obvious to those actors that benefit from the policy in question. Hence, dismantling costs cannot be directly attributed to politicians.

DISMANTLING BY SYMBOLIC ACTION: no dismantling decision; high visibility

This strategy seeks to ensure that any dismantling intention is clearly and directly attributed to political decision makers. In other words, political actors very deliberately declare their intentions to dismantle existing policies. This behavior is rather likely in constellations in which dismantling is rewarding for political actors in light of their preferences. At the same time, however, political declarations do not lead to respective outputs, hence remain symbolic. This can be the result of high institutional constraints. Another explanation might be that the articulated and revealed preferences of the potentially affected political actors differ. In other words, they might respond to demands for dismantling from some groups, but are not (yet) convinced that dismantling is politically advantageous overall.

ACTIVE DISMANTLING: active dismantling decision; high visibility

The final strategy, by contrast, exhibits high visibility with a strong and clear preference to dismantle. Politicians may not only want to be perceived as dismantlers; they may actually wish to dismantle existing policies. Again, the selection of this strategy might be triggered by many factors. Dismantling might be rewarding, not only because of political demands, but also because politicians are ideologically convinced that dismantling is the most appropriate solution. At the same time, the perception of few institutional constraints might facilitate the adoption of this strategy. Few constraints, however, should not be seen as a necessary condition for the adoption of this strategy; it is conceivable that institutional constraints are overcome by compensating powerful losers of dismantling action that would otherwise have blocked it. Such compensations might entail dismantling in one area co-existing with expansion in others. As shown by Häusermann (2010), such developments can at the same time favor the emergence of new cleavages and advocacy coalitions which might reduce the resistance to potential dismantling activities. Another possibility is to adopt a sequence of incremental reforms that all point in the same (dismantling) policy direction.

In sum, we assume loss sensitive, rational actors who choose their (dismantling) strategies in view of how best to reach their specific dismantling aims in the context of other actors' interests and resources and the institutional setting they all have to operate in. Political actors may come to the conclusion that the benefits to engage in dismantling exceed its political costs, that the costs of non-action exceed the costs of dismantling, or that the costs of dismantling exceeds the cost of non-dismantling. Only in the latter case is the outcome easy to predict: no policy dismantling. In the former two cases (namely dismantling benefits are higher than the costs and the costs of non-action are higher than the costs of dismantling), actors select their strategies against the backdrop of a number of crucial factors that might be conceived of as political opportunities and/or constraints. Potentially, the most important ones are public financial crises, international and/or supranational pressures, policy type, party politics, and the stage in the election cycle. The six case studies presented in Part II investigate whether and how these factors combine with one another empirically.

2.4.6 The effects of policy dismantling

Chapter 1 presented preferences, political opportunity structures, strategies and effects as being analytically distinct. In this section an attempt is made to explore what type would expect to emerge from the use of the four ideal-types described above. The crucial word here is 'expect', because the challenge of investigating these links empirically is taken up by the authors of the case studies.

In the case of active dismantling one should expect either an outright reduction of density (in terms of the abolition of policies or instruments), or, at least, a reduction in substantial intensity. A reduction in substantial intensity means, first of all, a lowering of instrument settings (for example, in the form of reducing unemployment benefits or minimum pension guarantees).

With respect to dismantling by symbolic action one should expect all kinds of announcements and 'cheap talk' about the dismantling of policies, instruments and the lowering of settings, or the re-labelling of organizations and agencies that implement or enforce particular programmes, etc. The point here is that governments will want to appear to be consolidating public budgets and increasing the efficiency of spending programmes, without actually cutting that much. One would thus expect to see the setting-up of working groups or commissions that have the task of reviewing certain spending areas and reporting their results back to the government, i.e. review-type activities which do not actually bind politicians to anything.

Within the 'opaque' strategies of policy dismantling, i.e. arena shifting and dismantling by default one should expect to find non-adjustment of substantial intensity. A greater variety of dismantling effects can be expected to surface in relation to dismantling by arena shifting. Here one would expect responsibility for overseeing whole policy subareas to be transferred to other political arenas (e.g. decentralization, agencification), or manipulations of the basis of policy (i.e. formal intensity). In other words, enforcement capacities, administrative capacities and the other procedural requirements of a particular policy will be changed in ways that make policy dismantling (as an indirect effect) more likely. For example, rights of environmental protection groups to participate in certain decisions may be reduced to allow certain industrial production sites to continue despite opposition from environmentalists; this may well lead to different policy effects. Also the under-financing of certain administrations that are responsible for certain direct support schemes (unemployment benefits, child benefits, etc.) may eventually (and deliberately), lead to a deterioration in service delivery. A summary of these expected relationships between strategies and effects is to be found in Table 2.3.

2.5 Towards empirical analysis

This chapter has developed an analytical framework to study policy dismantling. Using a cost-benefit approach we have theorized the various constellations under which politicians—our central actors—engage in policy dismantling. We defined and operationalized policy dismantling in order to enable the empirical identification and measurement of dismantling in practice. In systematizing our empirical knowledge about real-world dismantling cases, we developed a typology of four available strategies that can, in principle, be employed to dismantle existing policy. We posit that a mixture of prevailing macro conditions, institutional opportunities and constraints (both at the level of the political system and at the level of the specific policy in question) and, finally, situational factors, may influence politicians' choice of dismantling strategy. Finally, we formulated expectations about the varying outcomes of the choice of specific dismantling strategies.

The value of this framework can only be tested by applying it systematically to empirical case studies of policy dismantling. The case studies in Part II are conducted in the fields of social and environmental policy. The reason not to limit our policy dismantling study to social policies was explored in Chapter 1: if the aim of our framework is to contribute to a more general theory of policy

Table 2.3. Dismantling strategies and their expected effects

Dismantling type	Effects
By default	Non-adjustment of substantial intensity
Arena shifting	Transfer/Delegation (decentralization, agencification) of whole policy responsibilities; manipulation of formal intensity, i.e. of enforcement capacities, administrative capacities and procedural requirements
Symbolic action	Announcement of a reduction in policy density or intensity; relabelling policies; commissioning consultations/evaluation reports
Active dismantling	Reduction in policy density, i.e. the abolition of policies or instruments; reduction in substantial intensity

Source: own compilation.

dismantling, it needs to be formulated and 'tested' (in the sense of hypothesis generating), not only in the area where its application is most plausible. Positing that policy dismantling is a distinct subcategory of policy change, it appears reasonable to apply it not only in policy sector assumed to be dominated by (re)distributive politics—such as social policy—but also in a sector dominated by regulatory politics like environmental policy. Moreover, according to our framework the main puzzle lies in the relationship between institutional and situational factors, as well as the choice of a particular dismantling strategy. Investigating dismantling cases also in the social and the environmental policy fields should help to increase such leverage. The value of such a mix of policy areas becomes even more obvious if one considers the importance of situational factors. For example, who is mobilized by what kind of dismantling decision? With regard to environmental issues, dismantling may mean reducing the air quality slightly for many people, but saving some powerful industries from having to invest heavily in abatement equipment. Cutting child benefits hurts many but produces perhaps no clear beneficiary, and so on. The point here is that if we want to understand the choice of dismantling strategies, then we need to vary the specific configurations, and this is done best by varying the policy contexts. It is to the analysis of cases where policy dismantling appears to have taken place that we now turn.

Notes

1. See North (1990), Immergut (1992), Hall (1993), Greif and Laitin (2004), Streeck and Thelen (2005), Heritier (2007), Mahoney and Thelen (2010).
2. We are aware of the risk we run by using the term 'dismantling' which was used in the title of the seminal book by Paul Pierson (1994). However, as those familiar with the welfare state know, 'dismantling the welfare state' was rather a catchy title; in his analysis, Pierson was mostly concerned with 'retrenchment'. As one aim of this book is to find out whether this line of thinking can be fruitfully applied to other policy areas, and lacking other suitable terms, we concluded that the advantages of using 'dismantling' (which most readers will intuitively know the meaning of) was greater than the disadvantage of being (wrongly) associated with processes social policy reform. See Chapter 1 for more detailed clarifications.
3. Situational factors are, for example, actor relationships that can be, given certain institutional factors, competitive or cooperative.
4. Assuming of course, that the existing policy is not so disastrously ineffective that even the usual coalition of beneficiaries and stakeholders will not fight to preserve it. This possibility is so rare as to be almost excluded from our analysis. Indeed a critical reading of the termination literature summarized in Chapter 1 does suggest this; see also the policy succession debate in Hogwood and Peters (1982).
5. If market-based instruments are abolished and new command and control ones are introduced, then the policy as a whole may become altogether stricter. Therefore, in order to follow our analytical framework, additional assumptions are sometimes needed for the conclusion that 'reduction of policy instruments' equates to policy dismantling.
6. Like Vis and van Kersbergen (2007), this section draws on prospect theory. Engaging in a wholesale review of prospect theory goes beyond our analytical scope, but would in our eyes be a valuable path to follow.
7. See the literature on the political economy of budget process, such as Tufte (1980) or Wildavsky (1988).
8. For an argument about informal collusion between parties in government and opposition to retrenchment beyond 'normal' party competition, see Hering (2008).
9. Chapter 1 referred to the European Court's insistence on equal retirement ages for men and women which saved the UK Treasury billions of pounds. The growth and stability pact in the EU is another case in point. Its aim was to bind the signatories to observe certain limits on their public debts and deficits. The International Monetary Fund is also known for demanding cuts in public spending from countries that need its loans. International commitments may, however, also have regulatory implications which trigger dismantling. New environmental regulation in the EU, for example, may change procedural or substantial requirements in ways that entail policy dismantling in certain Member States (Knill, Tosun, and Bauer, 2009).
10. Pierson (1994) talks more broadly about this in the context of 'programmatic design'. On this, see the discussion in Chapter 1.

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