

Ideas and Policy Change

FRANK R. BAUMGARTNER*

Peter Hall's 1993 article came at the same time as a parallel body of literature was developing, some building explicitly, some only implicitly, on similar ideas. I review some literature on policy communities, ideas, and the nature of policy change before exploring the statistical distribution of budget changes at three levels of aggregation. The similarity of these results suggests that a single process may be at work rather than different processes for first-, second-, and third-order change, as Hall's original formulation has it. As Hall suggests, these processes typically generate only marginal adjustments but occasionally create fundamental change. The degree of discredit to the status quo may be an important unexplored variable in explaining the ability of policy reformers to enact marginal, substantial, or fundamental policy changes. In sum, this article shows the similarities and mutual value of Hall's approach with others that would appear to be starkly contrasting.

The Nature of Policy Change

Peter Hall's 1993 classic, "Paradigms, Social Learning, and the State" is one of the first works to focus on the full distribution of policy change, including the stability that normally characterizes it as well as the dramatic bursts of change that sometimes come about. Hall is interested in explaining what forces induce the stability just as much as in understanding what confluence of factors must come together to create paradigmatic change. Ideas and paradigms are the most important factors in this explanation, but the focus is the nature of policy change. He writes: "How do the ideas behind policy change course? Is the process of social learning relatively incremental, as organization theory might lead us to expect, or marked by upheaval and the kind of 'punctuated equilibrium' that often applies more generally to political change" (1993, 277).

Hall's explanation of policy change is very close to one Bryan Jones and I developed in a book published in the same year as his article. Although we used different language and came from a different methodological approach, our ideas resonate strongly with Hall's. In particular, we

*The University of North Carolina at Chapel Hill

Governance: An International Journal of Policy, Administration, and Institutions, Vol. ••, No. ••, •• 2012 (pp. ••-••).

© 2012 Wiley Periodicals, Inc.

doi:10.1111/gove.12007

focused on what we called the interaction of the “venues” of political authority and the “image” of the policy, or the ideas associated with it. In Hall’s formulation,

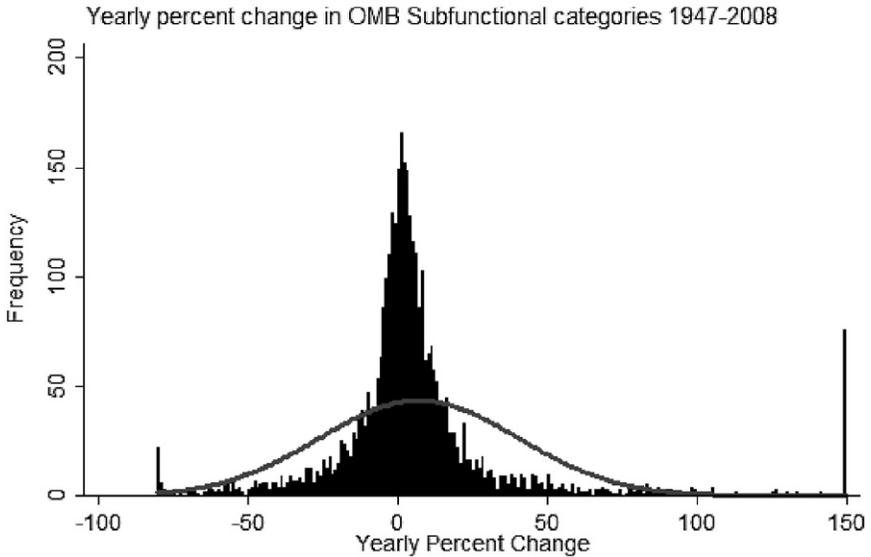
issues of authority are likely to be central to the process of paradigm change. Faced with conflicting opinions from the experts, politicians will have to decide whom to regard as authoritative, especially on matters of technical complexity. . . . In other words, the movement from one paradigm to another is likely to be preceded by significant shifts in the locus of authority over policy. (1993, 280)

Bryan Jones and I described this process only slightly differently. Our idea that the emergence of a new policy “image” can weaken the claim of jurisdictional authority that a “venue” has over an issue is similar to Hall’s idea. Furthermore, we assert that initial movements by other institutional venues to claim control over an issue can further reinforce the rival policy image. This results in a snowball process that leads to the same result that Hall describes above (Baumgartner and Jones 1991, 1993). Although we talk of positive feedback mechanisms, cascades, and image–venue interactions and not of paradigm shifts, the underlying concepts and mechanisms are remarkably similar.

Hall is clear in his 1993 article that the dependent variable is policy change, and the question of interest is not to explain a single change but to understand the nature of policy change more generally. Is it typically incremental, is it immune from radical change, or, as he writes, is it perhaps prone to the characteristics of punctuated equilibrium? This would mean that policy change is minimal most of the time but liable, on rare occasion, to be quite dramatic. Ideas are the key in explaining his conclusions, and the conclusions are that policy change is typically highly constrained because the ideas that support the status quo remain extremely powerful but that in the presence of paradigmatic shifts the policies themselves can be transformed, creating a new equilibrium and a stark break from the past.

Although Hall’s work does not lay it out in the same manner as Bryan Jones and I did, the two works reach the same conclusions from different approaches. Because they use such different methodologies, the combined evidence from both approaches is more impressive than either standing alone. Although we have much in common, we also have some differences, and in this article I hope to explore some of these. Hall asserts that there are three different types of change: first-order change (routine adjustments to existing policies), second-order (changes in the policy instruments used to achieve shared goals), and third-order change (shifts in the goals themselves). Although there is no reason to doubt that this is the case, it may be possible to conceive of a single process that can explain the full range of types of change, without asserting qualitative differences among them, or boundaries separating the three levels of change.

FIGURE 1
Distribution of Budget Changes, OMB Subfunctions, 1947–2008



Notes: $N = 3,726$; $K = 606.01$; $LK = 0.605$. Extremely high/low values clustered at -80 and $+150$. Excludes: financial subfunctions and trust funds, observations where the lagged value is less than \$100 million, and observations where the value is negative.

For OMB subfunctions, we can distinguish among discretionary, mandatory, and defense spending. Values are as follows: Domestic discretionary: $N = 2171$, $LK = 0.600$; domestic mandatory: $N = 762$, $LK = 0.519$; defense: $N = 694$, $LK = 0.667$. Although defense-related expenditures have higher kurtosis values than other types of spending, all categories share this characteristic to a substantial degree. K , kurtosis; LK , L-kurtosis; OMB, Office of Management and Budget.

Figure 1 displays the most general demonstration of the power of the punctuated equilibrium approach to policy change. It is the simple frequency distribution of annual budget changes across about 60 categories of U.S. federal spending from 1947 to 2008.

The figure makes clear that the vast bulk of budgetary shifts in the postwar period are extremely minor adjustments: changes between -5% and $+15\%$ constitute the huge central peak of the distribution. However, the figure also shows surprisingly “fat tails” (and the right-hand tail continues on so far that we had to cluster all extremely high values at $+150\%$ in order to render the graph more easily readable). The combination of what could be called “extreme incrementalism” (reflected in the central peak) and significant numbers of radical budget changes is powerful

evidence, across the board, for the punctuated equilibrium notions that Hall described in his 1993 article. And his explanation, that ideas matter, helps explain both the stability and the change.

Three Levels of Change

One of the most compelling elements of Hall's argument is that there are three types of policy change, each associated with a higher level of change: routine adjustments to known policy instruments, changes in the policy instruments themselves used to achieve shared policy goals, and shifts in the goals themselves. There is no question that new ideas can be at different levels, and my own work with Bryan Jones has addressed the issue in similar (but not identical) ways: Individuals or organizations develop an understanding of the nature of the social problem, assess the relevant solutions, and pick among the relevant policy options (Jones and Baumgartner 2005, ch. 2). In all cases, one element is key: Has the status quo been discredited, and to what degree? In cases where the status quo policy can be demonstrated to be functioning reasonably well, or where there is no widely accepted alternative policy available, significant policy change is unlikely and whatever changes do occur would be expected to remain in that high central peak of minimal adjustment as shown in Figure 1. (In Hall's formulation, it is hard to imagine moving past stage 1 if the existing policy is working well, and certainly not past stage 2). Where the status quo is highly discredited, on the other hand (e.g., mortgage and securities regulation after the 2007 financial crisis), proponents with radically new ideas may at least try to get them accepted. And, as Hall suggests, they might be able to alter the very definition of what goals we are attempting to achieve. So Hall gives an excellent understanding of why policies change so little most of the time but can sometimes change so dramatically. Hall's understanding appears completely consistent with a broader view that does not rely on the three levels of change concept however.

Natural scientists studying physical processes are prone to recreate the distribution of observations with a mathematical model. If the model fits the observations, then the simplest explanation of the distribution of the observations would be one that corresponds to the model. In the next section, I look at budgetary changes at three very different levels of aggregation and show that the same distribution applies to all of them. No matter how we aggregate the data, we see something remarkably similar to Figure 1. So the question that follows from this, which I pick up on the conclusion, is whether we need to distinguish among the three levels of change that Hall proposes, or whether perhaps there is a more general process that explains policy change of all types.

The Distribution of Changes at Three Levels of Aggregation

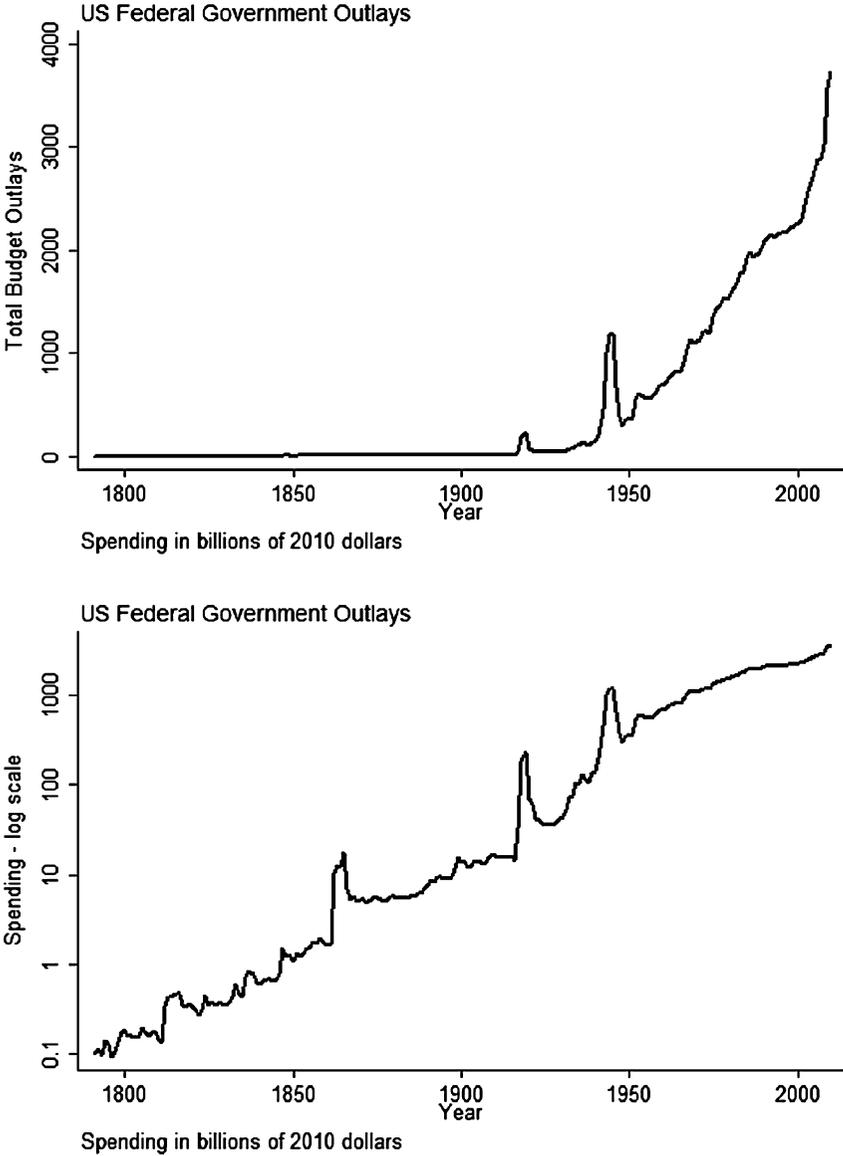
This section presents a series of data on the same question aggregated in three ways: the entire U.S. federal budget (one observation per year), by OMB “function,” and by OMB “subfunction.” The Office of Management and Budget presents the annual budget in 17 major categories of spending (called “functions”) and further breaks these down into about 60 smaller components, called “subfunctions.” The Policy Agendas Project (<http://www.policyagendas.org>) makes available all these data and has revised the historical data back to 1947 to ensure consistency in the use of current OMB definitions of what the categories entail (i.e., any shifts in spending cannot be attributed to changes in OMB’s classification system).

Figure 2 presents the trace of federal spending from 1791 to 2010 in billions of inflation-adjusted 2010 dollars. Figure 2a presents the raw numbers, and Figure 2b shows the same figures on a logarithmic scale to make the early period more discernible. Spending started at the equivalent of approximately \$100 million in 1791 and remained in the range of \$90–200 million from 1791 to 1811, when it surged from \$134 million to \$332 million in a single year, associated with the outbreak of war in 1812. The figure shows a series of plateaus, some temporary surges associated with wars, and steady growth. From its initial base of about \$100 million in the early years of the Republic, spending reached \$500 million in 1833, \$1 billion in 1847, \$10 billion in 1862, \$100 billion in 1918, \$1 trillion in 1943 and again in 1967, \$2 trillion in 1989, and it ends the series in 2010 with a value of \$3.7 trillion.

A simple glance at the data, especially on the log scale, makes clear that dramatic adjustments are surprisingly common. Figure 3 shows the same data, on a logarithmic scale, in terms of dollars per capita.

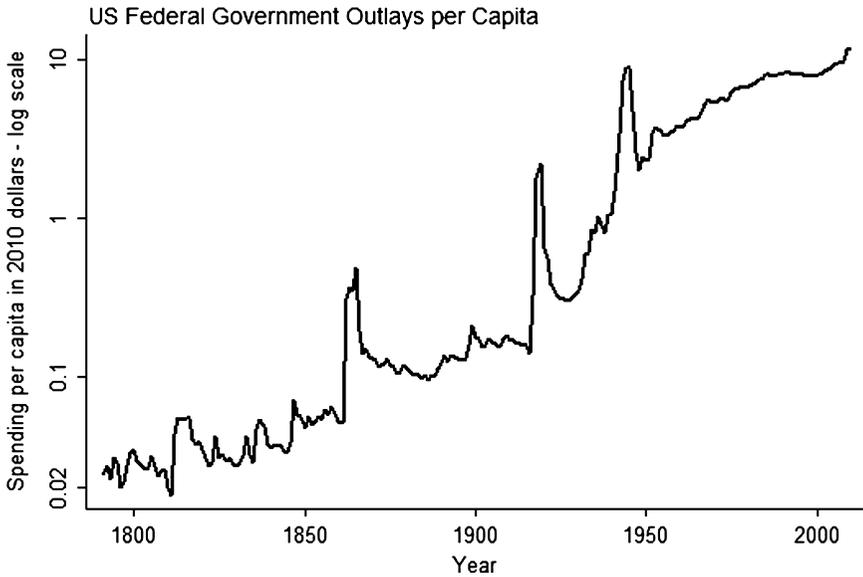
Federal spending per capita in the early years of the Republic was approximately \$24. Significant “ratchet effects” can be seen after the war of 1812 and in the 1830s. At the close of the Civil War, spending settles in a range of \$100–200 per capita, more than five times higher than two generations before but relatively stable or even declining over several decades. Later wars also create shifts in the order of magnitude of the size of government, after the war-time spending is taken out of the picture. After World War I, spending is in the range of \$300–600 per person, and after World War II, it begins a steady rise from about \$2,000 in 1948 to end the series in 2010 with a value just over \$12,000. (It is worth noting that most of the increase in spending per capita can be related to increases in the economic output of the U.S. economy; gross domestic product (GDP) per capita increased by a factor of more than 20 from 1841 to 2010. Federal spending as a percent of GDP increased but not as fast as spending per capita would suggest. Even this figure shows similar periods of surge and stability, so Figure 3 reflects fundamental shifts in what we expect from government at the most basic level.)

FIGURE 2
U.S. Federal Spending, 1791–2010



Clearly, what we expect of government, a very large-scale question, goes through some important, but only occasional, adjustments. Typically, we expect from government a similar array of goods and services as we had expected in the previous year. Occasionally, we dramatically change

FIGURE 3
U.S. Federal Spending per Capita, 1791–2010



Note: The figure shows inflation-adjusted spending in thousands of dollars per capita, on a log (10) scale. The data begin with a value of approximately \$20 per person and rise to about \$10,000 at the end of the series.

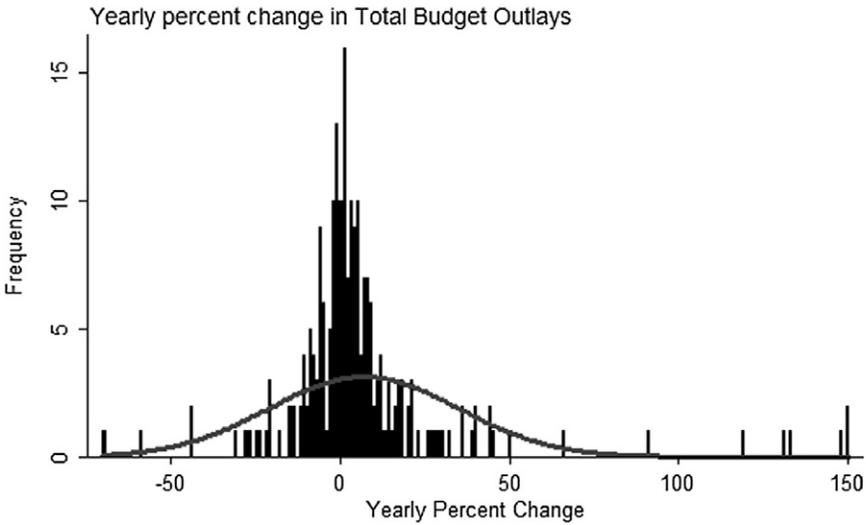
our expectations. Demonstrated failure of the status quo (through the outbreak of war) may have a lot to do with this.

Figure 4 presents the data from Figure 2 as a frequency distribution. It shows 197 annual observations ranging from three years when the budget declined (in one year) by more than 50%, through the bulk of observations where the budget shifted only incrementally from what it had been in the previous year, to five observations when the budget increased by more than 150%.

Figure 5 presents the same presentation but aggregated at the level of the OMB “function,” or major category of spending. Rather than 197 annual observations, here we have just over 1,000 cases from 1947 to 2008, with 17 consistent categories of spending per year. This is similar to Figure 1, which presented the OMB “subfunction” level, with almost 4,000 observations covering the same historical period.

Figures 1, 4, and 5 show that each of the series is associated with an “extreme-value” distribution that Bryan Jones and I have previously argued is emblematic of a punctuated-equilibrium pattern of policy change: An overabundance of extremely small adjustments based on the previous year’s base combined with a consistent presence of changes

FIGURE 4
Distribution of Budget Changes, U.S. Federal Government 1791–2010

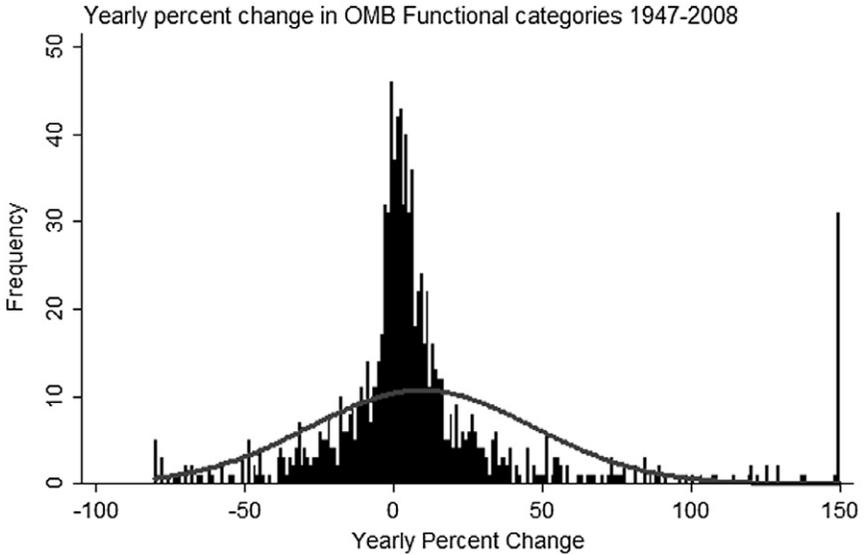


Notes: $N = 219$; $K = 68.13$; $LK = 0.553$. Extremely high/low values clustered at -80 and $+150$. For total outlays, similar figures for defense and domestic spending separately show that defense spending has a greater number of extreme values than domestic, but both kurtosis values are extremely high. Defense only: $N = 179$, $LK = 0.557$; domestic only: $N = 179$, $LK = 0.415$. K , kurtosis; LK , L-kurtosis.

many standard deviations from the average. Furthermore, these extreme values occur on both the positive and negative sides of the distribution, though they are more common on the positive side.

The similar characteristics of the data series even at different levels of aggregation suggest a “scale-free” process (see, e.g., Bak 1996; Barabasi 2005; Sornette 2000 for discussions of this concept, common in the study of complexity). Although it is clear that many of the huge shifts in overall spending patterns at the highest level of aggregation seem to be due to wars, the same may not be true at lower levels of aggregation. In fact, no wars since 1947 have affected overall spending levels in the same way as the wars of 1812, 1860, 1914, and 1940. Figures 2 and 3 make clear that the post-1947 period is remarkably stable. However, beneath that overall stability there are as many punctuations in detailed spending in the post-1947 period as there were in overall spending over the longer term. This suggests that budgeting may be a “scale-free” process, with a single process explaining the distribution of changes across the board. In fact, whereas Hall identifies three levels of change with the highest level being

FIGURE 5
Distribution of Budget Changes, OMB Functions, 1947–2008



Notes: $N = 1,074$; $K = 190.96$; $LK = 0.580$. Extremely high/low values clustered at -80 and $+150$. Excludes: financial subfunctions and trust funds, observations where the lagged value is less than \$100 million, and observations where the value is negative.

K , kurtosis; LK , L-kurtosis; OMB, Office of Management and Budget.

paradigmatic shifts within an issue-domain, the data here suggest that if we look at a larger number of observations across a longer time span, there may in fact be no limit. After all, Figures 2 and 3 show that at several periods since 1790, the size of the entire federal budget has undergone dramatic revisions. Although we normally accept last year's budget as a basis for this year's spending, in exceptional times, these expectations are jettisoned. Important shifts in the scope of government have come very abruptly, and once in place the effects have been long lasting. Rather than suggest that there is a fourth level of change that fell outside of the observations included in Hall's empirical study of monetary policy in Great Britain, another way to look at this is that policy change may be a scale-free process. That means that a single process of allegiance to the status quo normally obtains, that this can occasionally be disrupted, and that these dynamics can occur at any level of aggregation, from the most minute adjustments to established policy routines, through substantial revisions of existing policies, and even beyond that to shifts in our collective expectations of what government should be. (For more details on this

analysis and findings that the results are quite common across Western countries, see Jones et al. 2009).

Padgett's Three-Level Model of Budgetary Change

Hall's concept of levels of policy change has similarities to work by John Padgett (1980, 1981) though the research comes from such different intellectual traditions that it is hard to see the similarities. I will try to point them out here, with respect to both authors and without trying to suggest they are saying the same things. In fact, the point of interest is that two such different approaches can have such similar implications.

Padgett (1981) describes a simple three-level hierarchical model of budgetary decision making. At each of three levels, different organizational logics determine how decisions are made. The budget, however, is a result of decisions made at all three levels, not any one of them. First, at the presidential level, "decision making centers on the macroeconomic determination of total federal spending. Fiscal policy and defense or war-related issues reign; the outcome is a total domestic spending target." Second, at the OMB or cabinet secretary level, the focus is on "relative spending priorities among programs." Third, "at the most micro level of budget examiners and program chiefs, decision making centers on the administrative determination of 'proper' allocations necessary to fund individual program 'needs'" (1981, 79–80).

According to Padgett (1981, 82–83), decision making at each of these three levels of the governmental hierarchy is driven by different cultural and professional norms. At the program level, different legal norms determine which programs are "controllable" and which are not: Discretionary and mandatory spending programs are not amenable to the same types of controls. At the second level, that of cabinet secretaries, Padgett focuses on "institutional missions" and "constituency relations" as key drivers of relative priorities. And finally, at the highest level, fiscal targets are driven by macroeconomic goals and the relative mix of defense versus domestic spending. There should be nothing particularly controversial in what Padgett describes so far.

Padgett (1980) lays out a model similar to that which Bryan Jones and I have proposed (2005) where budgeting officials present their priorities to supervisors above them in an administrative hierarchy. Supervisors react differently to "major" and "minor" demands. "Minor" demands are rubber stamped but cannot be significant. Major demands are the object of more attention and may be approved or even adopted as major priorities as the supervisor makes their own demands up the hierarchy. His model of the "hierarchical garbage can" has just three levels: programs, agencies, and the president. However, the concept of similar decision-making processes, each reinforcing the cognitive limits of the decision maker, but embedded in a hierarchical structure, is highly relevant to how Baumgartner and Jones conceive of the process.

The key idea that ties these disparate approaches together, including Hall's, is that small adjustments can be made without major involvement by outside political actors, that larger reallocations might necessitate cabinet- or higher-level involvement, and that the entire process is embedded in context where the president sets overall fiscal targets. Padgett (and Jones and Baumgartner) lay out this process in a manner quite different from how Hall distinguishes among the three levels of change. However, the parallels are clear: Where Hall discusses routine adjustments to known policy instruments Padgett refers to the bureaucratic logic and Jones and Baumgartner refer to routine fine-tuning from previously identified policy solutions. Where Hall incorporates changes in the policy instruments themselves used to achieve shared policy goals, Padgett's vocabulary focuses on more important revisions to policy that must be approved by a higher political authority, and Jones and Baumgartner refer to the identification of new policy solutions to solve previously identified policy problems. Finally, third-order change, or shifts in the goals themselves is, for Padgett, the result of random timing: the right bureaucratic logic and evidence being adopted by higher authorities at a time when they have the president's backing and at a time when resources are available. In the Jones-Baumgartner discussion, this is the identification of new policy problems as major priorities.

Although the links between these three approaches are not perfect, all three are dealing with how we understand a process that occurs at different levels. For Padgett, the levels are explicitly bureaucratic; he is interested in explaining the formal budgetary process. For Jones and Baumgartner, the levels are part of a model of decision making that ranges from the identification of problems on to the implementation of solutions. In the absence of a perceived "crisis," routine decision making dominates, and attention focuses on only marginal adjustments to known policy instruments. However, when a policy is perceived to have failed, more fundamental questioning may occur about the basic goals of the policy. When this occurs, dramatic policy shifts may follow. For Hall, the levels are degrees of policy change as reflected in the degree to which underlying assumptions about the structure of the policy are called into question. All three approaches lead to implications consistent with a punctuated equilibrium distribution of outcomes.

Padgett (1980) even incorporates into his model an important concept, the weight of past decisions, or may be called the power of the status quo. He posits a parameter, C_j , which "controls the sensitivity or speed of the analyst's revision of the old estimate, A , in response to new information. Hence, the parameter C_j can be interpreted as the 'confidence' the analyst places in his or her own earlier estimate" (p. 588). New information can undermine the previous decision-making assumptions. With previous assumptions undermined, more dramatic policy shifts are possible. On the other hand, new information can be ignored if the decision maker has very high confidence in the previous estimate as compared with the

accuracy or import of the new information. Thus, we have a formal presentation of the idea that the power of the status quo is itself a variable separate from the strength of arguments for a new policy. Padgett's proposal is that where the status quo is powerful, this can be seen as a high value in a parameter associated with analysts' assessments that their previous estimates were highly accurate. When that parameter is extremely high, major shifts are unlikely, even when new information enters the system seeming to justify important policy shifts. When it is lower, the system is more open for major adjustment. Information coming at the wrong time may have little impact; coming at the right time, it can justify a revolution.

Why would policy analysts have very high confidence in the value of their previous understanding of the state of the world as it relates to the program they administer? It could be that new information suggests only the need for marginal adjustments. However, it could equally be because their belief is based on a theory, a worldview, an outlook, a paradigm. Information suggesting that paradigm is outmoded, inaccurate, or detrimental to good public policy may be heavily discounted. Thus, we would advance our understanding of policy change dramatically if we could develop a stronger theory of the power of the status quo.

How powerful does new evidence have to be in order to shake the status quo? Padgett's conception is useful as it pushes us to see the strength of the status quo as a variable, and one separate from the power of the idea that seeks to replace it. It also allows us to note that some actors in the process may place a high value on the status quo policy, and therefore severely discount or minimize any information suggesting it has flaws or is inadequate, whereas others may see that same new information and give it much greater importance. All this is reflected in Padgett's C_j formulation.

Policy Communities and the Power of Ideas

Hall (1993) makes reference to Hugh Heclo's assessment that "policy-making is a form of collective puzzlement on society's behalf" (1974, 305–306). In the 1980s, significant scholarly enthusiasm surrounded the idea that we could understand something important about political power by analyzing the behavior of communities of policy professionals within and outside the state. Hall's focus on policy paradigms and ideas as driving forces of policy change as opposed to state-led theories reflects this orientation as well. In fact, this journal devoted one of its first special issues (*Governance* 1989, volume 2 issue 1) to the study of "Policy Communities as Global Phenomena," a project cited in Hall's 1993 article. In his introduction to this issue, Jack L. Walker, Jr. wrote:

The articles in this collection all concern one important aspect of this fundamental process . . . —the development of para-bureaucratic communities of policy

specialists based within and without the formal institutions of government, and their relations with the central political leaders of their countries. The articles concern the sources of creativity in society, and they try to trace the channels through which the ideas of those with specialized knowledge filter into the policy-making process and eventually become the basis for reform. (Walker 1989, 2)

Viewing bureaucrats as “sources of creativity” seemed a new thing at the time. Hugh Hecló was far from the only scholar to travel far and wide to interview members of these various policy communities to understand the processes by which ideas were translated into policy (see, e.g., Aberbach, Putnam, and Rockman 1981; Anton 1980; Baumgartner 1989a, 1989b; Campbell et al. 1989; Eldersveld, Kooiman, and van der Tak 1981; Hall 1986, 1989, 1993; Hecló 1974, 1978; Kingdon 1984; Putnam 1976; Walker 1977, 1989). The focus was on forces outside of political parties and elections that could cause social change. And the surprise answer was that bureaucrats could be interesting. The focus on communities of experts, rather than particular agencies or institutional positions, was an important shift in focus in comparative politics and one that brought together scholars studying processes in many disparate countries (e.g., our special issue of *Governance* included papers on labor policy in Yugoslavia, economic policy in Maoist China, nuclear power in France, and social policy in Japan).

Although the literature on policy communities grew out of an older U.S.-based literature on policy subsystems that first noted the informal but recurring relations among those inside and outside of government who share expertise on a particular domain of public policy, it differed from the literature on iron triangles, policy whirlpools, and the like because it placed its emphasis not so much on the shared economic interests but rather on the ideas and shared worldviews that identified the members of a single policy community. Hall’s focus on ideas comes from this tradition.

Ideas and the Status Quo

Shared professional norms and ways of thinking are the glue that holds together a policy community, and ideas are at the core of Hall’s explanation of policy change. When ideas are widely shared by an entire policy community, they can be called a paradigm. Some policy communities may well be dominated by a single paradigm, others may see competition, and others may see the replacement of one dominant paradigm by another. I have written recently (with others) about the sticky nature of ideas within policy communities: Reframing an issue is not very easy because other experts within the community typically have strong attachments to the status quo definition of the issue (see Baumgartner et al. 2009). We found, for example, that one of the most powerful and commonly used arguments in Washington, DC is the “risky scheme” argument. Essentially, any proposed change to the status quo represents a “risky scheme,” which,

while it may be well intentioned, risks upending a carefully constructed balancing act and may have far-reaching unintended consequences. Considering that most public policies are quite complicated and have diverse effects on a great number of constituencies, this is not a bad argument. Most changes will indeed create secondary consequences, all of which cannot accurately be predicted. So change is indeed risky. If the status quo policy is working reasonably well, and there are more pressing problems facing the country, it may well not be worth the risk. On the other hand, if a consensus emerges that the status quo is unacceptable, then suddenly the “risky scheme” argument may suddenly collapse.¹

In our interview-based study of lobbying and policy change, we found that most cases of attempted policy change led to stalemate, but that when change occurred, it tended to be significant. We were so impressed with the power of shared understandings that we refer to the role of shared knowledge within policy communities as very similar to Ken Shepsle’s (1979) concept of “structure-induced equilibrium” (Baumgartner et al. 2009, 47). Although Shepsle states that equilibrium outcomes may be due to institutional arrangements, we suggest that they could also be due to shared knowledge, or what Hall calls paradigms. Members of a policy community who spend their entire professional lives dealing with a particular area of public policy have a great store of knowledge about the history of the policy, what has been done, what experiments have failed, and what the underlying justifications for current policy are. Whether they agree with these or not, they generally expect them to be respected by other members of the community. So ideas matter, and perhaps much more so than has been reflected in the literature on policy change. Hall’s article, of course, is one of the most important ones arguing exactly this point.

Discrediting the Status Quo

One of the most important ideas in politics is an emerging consensus that the status quo is unacceptable. Of course, such periods are rare. Normally, defenders of the status quo can argue that their policies, while perhaps not perfect, have stood the test of time and that, while some marginal adjustments may always be in order, any fundamental shift in the general orientation carries too many risks. Especially in areas as fundamental to the economy as monetary policy, such arguments carry great weight. However, events *do* sometimes align so that the vast majority of serious actors in the political system have to admit the obvious: The status quo may have no defense. For example, in face of the 2008 financial collapse in the United States and other Western countries, it was not credible to suggest that no changes were needed. The only question was how far reaching the policy changes would be. At best, defenders of the status quo can move to limit the damage in such situations.

An interesting but understudied dynamic in situations where incumbent regimes (be they governments, agencies, or policy communities surrounding any particular government policy) have lost credibility is the degree to which their authority is permanently weakened (or structural changes occur). Sometimes, there simply is no replacement, so the incompetent or the failed continue to exert their monopoly control merely by default. No one else is there to take over. Other times, rival groups are driven by an ambition to take control, but not necessarily by a radically different paradigmatic view. So a new leadership team replaces the old, but no serious policy change ensues. Another possibility is that a rival leadership group exists, but its views are so different that the incumbent group is able to stave them off by scare tactics. Even while admitting that they have failed, the incumbent group may argue that the rival group is so "irresponsible" and so threatening to other established interests that they avoid takeover. Finally, when the ideas that undergird an established policy subsystem by providing the intellectual justification for an entire set of policies are discredited, a rival group with strong but different intellectual justifications for a new set of policies may well take over. This is what Peter Hall describes in the case of British monetary policy. It is one of many possible scenarios of what may follow when an incumbent group of policymakers is discredited. However, it is worth noting that the presence of a crisis by no means suggests that a well-regarded and "ready for prime time" group of rivals is ready to implement a paradigmatic shift.

John Kingdon (1984) developed the concept of "windows of opportunity" in his discussion of agenda setting and policy change in U.S. politics. In thinking about the importance of events or developments that discredit the status quo, it helps to keep his formulation in mind. A window of opportunity does not necessarily create a change; it may be a necessary condition for a major push in a new direction, but it is not sufficient. Similarly, major policy change, what Hall refers to as "third-order" change, may require a serious degree of discredit to the status quo policy and to its protectors. Things that could produce such things include obvious policy failures or crises that occur "on the watch" of a set of incumbent policymakers. When the terrorist attacks of September 11, 2001 occurred, it was clear that major elements of U.S. intelligence had failed and that airport security procedures were insufficient. No one stepped forward to defend these policies, especially the private security firms that hired poorly paid and relatively ill-trained personnel to screen passengers in airports. The creation of the Transportation Security Administration was not particularly controversial in spite of the fact that it was a Republican administration creating a vast new public bureaucracy. So, it is clear that obvious policy failures can discredit the status quo, sometimes even to the level that the incumbents who benefit from or who implement the existing policy do not even mobilize to protect it, knowing that this is a hopeless cause.

Just as a policy failure or catastrophe does not necessarily guarantee that the policy incumbents will be tossed aside, a catastrophe is not the only way in which an incumbent group can be discredited. The ideas underlying a given policy regime or paradigm may be undermined by rival ideas in the absence of a crisis as well. This can occur within professional communities outside of the glare of newspaper coverage and political salience, as, for example, when an agency recruits over a generation a set of employees with economics rather than legal training. When this new cohort reaches a certain level of seniority and influence within the organization, leadership positions may suddenly be turned over from those with training x to those with the ascendant training, y .

Such a thing occurred in the Anti-Trust Division of the U.S. Department of Justice. Beginning in the early 1970s under the Nixon administration, greater numbers of economists were hired as opposed to lawyers. By the time of President Reagan's first term, these professionals within the agency had reached positions of influence and, aided by the new presidential appointments, were able to implement significant policy changes based, largely, on a different paradigmatic view. Of course, President Reagan had a different political view as well. However, the fact that these economists had a coherent and defensible intellectual justification for their stands played an important role as well (see Desveaux 1995; Eisner 1991; Kauper 1984).

Dan Carpenter (2001) has described the ascendance of bureaucratic power in his analysis of the Food and Drug Administration. Although the focus here has been on ideas, it is clear that institutions matter as well and that a powerful force for deference to the status quo is when an institution is able to establish what Carpenter calls "bureaucratic autonomy." As in the Baumgartner-Jones formulation, this is when the broader political system grants deference to a specialized agency. The prestige, deference, and autonomy of an institution, like the power of an idea, can vary over time, and is an important element of the power of the status quo.

Another route by which ideas can change is that professional norms may shift over time, eventually leading to important and widely accepted policy changes even in the absence of conflict and sometimes in the absence of visible debate. This has occurred several times in the field of psychiatry with regard to the best methods of treatment for the mentally ill. From the creation of vast state mental hospitals to the move in the 1960s to "deinstitutionalize" the mentally ill, there were crises, to be sure, but more important were shifting professional norms. No one is calling for the reestablishment of vast state hospitals or "insane asylums" even as people do question whether too many mentally ill are out on the streets with little care. Herbert Jacob (1988) describes a similar process with regard to the law surrounding divorce in the United States in the 1960s and 1970s. Without huge public discussion, and in the absence of a single focusing event, professional norms and expectations simply changed. The paradigmatic understanding that held together a policy simply evaporated. The

policy changed because there was no longer a strong intellectual or cultural support to defend it from those who proposed change.

This short discussion is meant simply to note that an important element of the likelihood of policy change is the staying power of the status quo. The status quo and its defenders can be weakened for many reasons. If the status quo is strongly discredited at the same time as a powerful set of new ideas gains great credence, significant change may well occur. If similar pressures to change policy occur at a time when the status quo has not been discredited, change is less likely. The pressure for change may not be related to the power of the defenders of the status quo, so as in Kingdon's model of policy change we are dealing with events that come together with some degree of serendipity or random character.

We do not have a fully developed theory of the power of the status quo. In the Baumgartner–Jones approach, it would relate to the power of the underlying policy image as well as to the rules insulating the prevailing policy venue from attack. Both ideas and institutions come into play. Those defending the status quo are quick to question the “standing” or qualifications of those who criticize. And insiders, working from their own paradigmatic understandings of the policy in question, may discount new information that outsiders consider more alarming. Padgett's formulation of a parameter reflecting the power of the status quo as a distinct variable worth consideration has not been followed by any research on this topic. Hall's article clearly points to the fundamental importance of when the paradigm supporting a policy is replaced. And yet very few have focused on what makes the status quo powerful or the conditions under which it might be replaced. In this short section, I have certainly not provided any answers, but I hope to have pointed to some fruitful avenues of research.

Thinking about Policy Change

Hall's 1993 article focused attention on the issue of ideas and policy paradigms. He used these to explain policy change and suggested that three levels of policy change relate to distinct processes. However, rather than assert a clean distinction among these three levels of policy change, the evidence I have presented about the common features of policy change in the U.S. budget at three different levels of aggregation suggests that perhaps a simpler set of ideas would perhaps carry as much water. Similarly, Padgett (1980, 1981) has addressed a completely different question with different techniques but comes to very similar conclusions. Perhaps the models have some fundamental characteristics in common and differ more in method and approach.

A key element that may help explain these similarities, poorly researched so far in the literature, is the degree of discredit to the status quo. Hall addresses this issue but does not delve into it in great detail. How could this be done? It would most likely involve interviews with

those individual leaders or agencies who have controlled the policy and the ideas that have justified the previous policy. New ideas must be generated, of course, and several authors have focused on how this occurs. However, another part of the equation is what forces weaken the defenders of the status quo. These weaknesses may be minor, moderate, or fundamental, as Hall's levels of change analysis suggests. However, perhaps they are not matters of kind, but of degree.

One fundamental element for future research is to bring together two literatures and two research approaches that have for too long been treated as if members of different religious sects: quantitative and qualitative analysis. It is clear that interview-based research delving into the particulars of how policymakers interpret and make sense of the policy choices facing them is the most fruitful way to understand the degree to which the status quo may have been discredited. At the same time, larger empirical studies can hopefully be integrated into such research projects, for example, to provide a sampling frame from which more detailed qualitative studies can be chosen for greater focused research.

In any case, evidence strongly suggests that a single model of policy change can help explain the characteristic pattern of great power for the status quo in the vast majority of cases but its occasional upending. Delving into the details of how this occurs and the separate dynamics by which new ideas gain power, and old ones are discredited, seems fundamental. Although these are thought of as a single process, the separate dynamics by which they evolve over time may be the key to understanding the complex interrelations between ideas and policy change.

Acknowledgments

Some of the data used here were originally collected by Frank R. Baumgartner and Bryan D. Jones, with the support of National Science Foundation (NSF) grant numbers SBR 9320922 and 0111611 and were distributed through the Department of Government at the University of Texas at Austin. Neither NSF nor the original collectors of the data bear any responsibility for the analysis reported here. I thank Bryan Jones, Jim Desveaux, Peter Hall, Alisdair Roberts, and Robert Cox for their comments and ideas.

Note

1. For more detailed discussion of the arguments that are most commonly used by defenders of the status quo and those seeking policy change across a sample of issues in U.S. politics, see Baumgartner et al. (2009). For a general model of decision making that discusses the distinction between how a problem is conceived (e.g., ideas) and what solutions (e.g., policies) are thus justified, see Jones and Baumgartner (2005).

References

- Aberbach, Joel D., Robert D. Putnam, and Bert A. Rockman. 1981. *Bureaucrats and Politicians in Western Europe*. Cambridge, MA: Harvard University Press.
- Anton, Thomas J. 1980. *Administered Politics: Elite Political Culture in Sweden*. Boston: Martinus Nijhoff.
- Bak, Per. 1996. *How Nature Works: The Science of Self-Organized Criticality*. New York: Copernicus.
- Barabasi, Albert-Laszlo. 2005. *Linked*. New York: Penguin.
- Baumgartner, Frank R. 1989a. *Conflict and Rhetoric in French Policymaking*. Pittsburgh, PA: University of Pittsburgh Press.
- . 1989b. "Independent and Politicized Policy Communities: Education and Nuclear Energy in France and the United States." *Governance* 2 (1): 42–66.
- Baumgartner, Frank R., Jeffrey M. Berry, Marie Hojnacki, David C. Kimball, and Beth L. Leech. 2009. *Lobbying and Policy Change: Who Wins, Who Loses, and Why*. Chicago: University of Chicago Press.
- Baumgartner, Frank R., and Bryan D. Jones. 1991. "Agenda Dynamics and Policy Subsystems." *Journal of Politics* 53 (November): 1044–1074.
- . 1993. *Agendas and Instability in American Politics*. Chicago: University of Chicago Press.
- Campbell, John Creighton, Mark A. Baskin, Frank R. Baumgartner, and Nina P. Halpern. 1989. "Afterword on Policy Communities: A Framework for Comparative Research." *Governance* 2 (1): 86–95.
- Carpenter, Daniel P. 2001. *The Forging of Bureaucratic Autonomy: Reputations, Networks, and Policy Innovation in Executive Agencies, 1862–1928*. Princeton, NJ: Princeton University Press.
- Desveaux, James A. 1995. *Designing Bureaucracies: Institutional Capacity and Large-Scale Problem Solving*. Stanford, CA: Stanford University Press.
- Eisner, Marc Allen. 1991. *Antitrust and the Triumph of Economics: Institutions, Expertise & Policy Change*. Chapel Hill: University of North Carolina Press.
- Eldersveld, Samuel J., Jan Kooiman, and Theo van der Tak. 1981. *Elite Images of Dutch Politics: Accommodation and Conflict*. Ann Arbor: University of Michigan Press.
- Hall, Peter A. 1986. *Governing the Economy: The Politics of State Intervention in Britain and France*. New York: Oxford University Press.
- , ed. 1989. *The Political Power of Economic Ideas: Keynesianism across Nations*. Princeton, NJ: Princeton University Press.
- . 1993. "Policy Paradigms, Social Learning, and the State: The Case of Economic Policymaking in Britain." *Comparative Politics* 25: 275–296.
- Heclo, Hugh. 1974. *Modern Social Policies in Britain and Sweden: From Relief to Income Maintenance*. New Haven, CT: Yale University Press.
- . 1978. "Issue Networks and the Executive Establishment." In *The New American Political System*, ed. Anthony King. Washington, DC: American Enterprise Institute.
- Jacob, Herbert. 1988. *Silent Revolution: The Transformation of Divorce Law in the United States*. Chicago: The University of Chicago Press.
- Jones, Bryan D., and Frank R. Baumgartner. 2005. *The Politics of Attention: How Government Prioritizes Problems*. Chicago: University of Chicago Press.
- Jones, Bryan D., Frank R. Baumgartner, Christian Breunig, Christopher Wlezien, Stuart Soroka, Martial Foucault, Abel François et al. 2009. "A General Empirical Law for Public Budgets: A Comparative Analysis." *American Journal of Political Science* 53 (4): 855–873.
- Kauper, Thomas E. 1984. "The Role of Economic Analysis in the Antitrust Division before and after the Establishment of the Economic Policy Office: A Lawyer's View." *Antitrust Bulletin* 29 (Spring): 111–132.

- Kingdon, John W. 1984. *Agendas, Alternatives, and Public Policies*. Boston: Little, Brown.
- Padgett, John F. 1980. "Managing Garbage Can Hierarchies." *Administrative Science Quarterly* 25 (4): 583–604.
- . 1981. "Hierarchy and Ecological Control in Federal Budgetary Decision Making." *American Journal of Sociology* 87: 75–128.
- Putnam, Robert D. 1976. *The Comparative Study of Political Elites*. New York: Prentice Hall.
- Shepsle, Kenneth A. 1979. "Institutional Arrangements and Equilibrium in Multidimensional Voting." *American Journal of Political Science* 23 (1): 27–59.
- Sornette, Didier. 2000. *Critical Phenomena in Natural Sciences*. Berlin: Springer.
- Walker, Jack L., Jr. 1977. "Setting the Agenda in the U.S. Senate: A Theory of Problem Selection." *British Journal of Political Science* 7: 423–445.
- . 1989. "Introduction: Policy Communities as a Global Phenomena." *Governance* 2 (1): 1–4.