25. Policy paradigms and the formulation process
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INTRODUCTION

The view that human action is guided by paradigms has had resonance in the social sciences for over half a century (Merton, 1945). Paradigms – defined as stable and coherent roadmaps for purposive action (Kuhn, 1970a) – seem especially suited to theories of policymaking that consider formulation to be a rational process.[1] This chapter interrogates the accuracy of this view and addresses if, and under what circumstances, the policy formulation process is likely to be guided by a policy paradigm.

The notion of paradigms, at least at first blush, appears to complement other popular theories of the policy process, particularly those that purport policy stability. These are generally perspectives focused on the 'micro-foundations' of individual and group interest, such as Sabatier's (1988) 'policy core beliefs' and Baumgartner and Jones's (1993) 'policy image monopolies'. Beyond micro-foundations, the stability hypothesis finds a powerful ally in new institutional economics and its counterpart in political science, rational choice institutionalism, both of which claim that institutions are designed on the basis of perceived efficiency. Other strands of thought in the new institutionalist literature, however, challenge the assumption that institutions are purposively or rationally constructed *ex ante* (North, 1990, pp. 6–7).[2]

These themes in the broader literature assist in determining what sorts of dynamics, if not those prescribed by paradigms, characterize policy formulation. I begin by reviewing the theoretical basis of the paradigms hypothesis as it applies to public policy. Discovering that the micro-processes of policy formulation were largely overlooked in Peter Hall's (1990, 1993) archetypal 'two stage' understanding of paradigm stability and change, I then offer a brief overview of the empirical work concerning formulation and policy paradigms. Discordances between theory and the empirical record set the context for the chapter's second section, which deals with the tensions between the image of paradigm-driven policymaking and alternative conceptions of policy formulation, the latter of which shed light upon the diversity of formulation contexts often overlooked in theories of the policy process. From there I build a framework for understanding policy image resilience and erosion, which offers an explanation for why paradigms are likely to guide policy formulation only in specific circumstances. The main implication of the argument is that, perhaps in contrast to an earlier period, contemporary policy formulation is typically not an exercise determined or even necessarily guided by paradigmatic thinking.

POLICY PARADIGMS IN THEORY AND PRACTICE

Paradigms as Abstract Ideal Types

A paradigm is best understood as a framework outlining the scope and bounds of appropriate instrumental action (Blyth, 2013; Kuhn, 1970a; Papineau, 1978). While instrumental action under a paradigm is logical, the determination of the paradigm's rules in use is largely outside of what sensory data and empirical verification can tell us (Lakatos, 1968; Masterman, 1970). This is because the interpretation and even perception of such data is theory-contingent (Hanson, 1958). Warren (1984, p. 17) aptly summarized this paradox of objectivism the following way: 'By ultimately reducing our way of knowing to the reception of sense data, empiricism confuses the perception of sense data (colors, shapes) with that of things (chairs, political regimes), the latter requiring "extrasensory" perception: this is the claim of "common sense."' It is precisely what counts as common sense that the paradigm determines. Since common sense is established theoretically (and empirically informed, according to criteria established a priori), paradigms necessarily take the form of ideal abstractions. In abstract form, since each paradigm constitutes a unique 'way of seeing' the world, there will be at least some degree of incommensurability between paradigms (Phillips, 1975). In Thomas Kuhn's words, like a *Gestalt*, incommensurability means that adherents of opposing paradigms, though they are looking at the same phenomena, are 'practicing in different worlds . . . they see different things' (Kuhn, 1962, p. 149).

How paradigms change is dependent upon the strength, type and frequency of empirical anomalies, which manifest as puzzles that are inexplicable according to the image of reality outlined by the paradigm. As anomalies accumulate, they undermine the credibility of the paradigm by calling into question its (theoretical) account of how the world works (Kuhn, 1970b). Building from Kuhn's (1962) ideas about how paradigms influence the progression of the natural sciences, Hall (1990, 1993) made significant theoretical strides by offering a sophisticated treatment of anomalies in his seminal works on the evolution of economic ideas in Great Britain.

Borrowing from the literature on organizational learning (that is, Argyris & Schön, 1978; Bateson, 1972), Hall (1990, 1993) brought insights concerning 'orders of learning' to theorizing on paradigm stability and change in the social sciences. In Hall's account, minor anomalies prompt 'first order' learning related to the necessity of making minor adjustments to policy instrument settings (that is, changes related to 'how much' of a given policy is appropriate). By contrast, anomalies of moderate severity provoke 'second order' learning regarding the propriety of preferred policy instruments for solving problems. In such cases, policymakers come to realize that no level of adjustment to the 'amount' of policy will instantiate desired outcomes. Rather, the policy instruments themselves should be reconsidered. Finally, in the face of recurrent failure with first and second order adjustments, and assuming a paradigmatic alternative exists, policymakers will begrudgingly engage in 'third order' learning, whereby the very goals of the operative paradigm are called into question. When third order learning occurs, changes to all three elements of policy (instruments, settings and goals) ensue. Such was the case, noted Hall (1990, 1993), when the British Treasury abandoned both the principles and instruments of Keynesian economic policy in favour of those espoused by a new wave of monetarist economists in the late 1970s.

While it is somewhat curious that Hall did not extend this reasoning to develop an ordinal typology of policy anomalies (Wilder & Howlett, 2014), the aspect of his work that linked a disaggregated typology of social learning to corresponding types of policy change was groundbreaking. Hall's approach to understanding episodes of policy stability and change – summarized as a 'two stage' process whereby theoretical validity is first established by a community of experts before being adopted by authoritative decision-makers (1990, p. 66) – has been praised by many for its intuitive appeal and simplicity (see Carstensen, 2011, pp. 162–3). Yet, both earlier and later theorizing challenged two stage accounts of this sort (for example, Cohen et. al., 1972; Schmidt, 2008; Schön & Rein, 1994). These critiques remain pertinent to this discussion due to the tendency for subsequent work to treat paradigmatic influence as more or less fundamental to policy-making (Béland & Cox, 2013; Skogstad & Schmidt, 2011). This is in spite of the fact that Hall never claimed the paradigm change hypothesis was generalizable across all forms of policymaking.[3]

Béland (2009), for example, envisions a three stage process in which actors with competing ideational perspectives attempt to discursively reframe problems to better fit their preferred policy solutions in an intermediate stage. Similarly, though Berman (2013) makes overtures to a two stage process related to the 'rise and fall' of ideas, her stages are not synonymous with Hall's. Rather, Berman's second stage involves the introduction of new ideas that vie for dominance, not the selection of a single paradigmatic alternative.

Moving beyond mere theoretical debates about whether or not policymaking proceeds according to the logic of a dominant paradigm, the next subsection evaluates the extent to which subsequent empirical analyses affirm or repudiate the two stage process envisaged by Hall. Such an evaluation is appropriate to this discussion since Hall's two stage process is, in essence, a theory of policy formulation. To be clear, I am not considering the extent to which paradigmatic policies get implemented, rather I am concerned only with the extent to which paradigmatic ideas may survive the formulation process.[4]

Paradigms in Practice

Though perhaps a consequence of the fact that Hall wrote towards the end of an age of state-centric policymaking,[5] few empirical analyses since have found the process of policy change to be as orderly as he described (Skogstad, 2011). Contravening empirical findings fall into three categories: (1) those that have not found the process of learning and change to follow the first, second, third order sequence predicted by Hall; (2) those that have not found that authorities select a single, clear, paradigmatic policy alternative (as per Hall's two stage account), but rather some sort of policy synthesis; and (3) those in which the process towards paradigm change is not sudden and episodic, but instead gradual and negotiated.

The first category is significant mostly in the sense that it allows for major change to take place at 'low orders' (that is, those involving instruments and settings). The budgetary allocations analysed by those working in the punctuated equilibrium vein fall under the ambit of first order changes, but few would deny that exponential increases in budget allocations signify major policy change (Baumgartner & Jones, 1993). While it is implicit in the theory that such punctuations coincide with a major change to the 'policy image'

(Baumgartner, 2013), it is clearly not the case that a change in policy instruments is a necessary condition for sweeping change (Sanger & Levin, 1992).

Aside from the possibility of major (as opposed to marginal) first and second order changes, researchers have found a sequence of policy development inverse to Hall's. In the area of banking regulation following the 2008 financial crisis, Baker (2013) found that the shift from ideas about efficient markets to ideas about the virtues of macroprudential regulation occurred rather spontaneously, without any prior experimentation with first or second order changes. This has meant that goals have changed without any institutionalization of new policy instruments, a phenomenon associated with 'policy drift' by Kern and Howlett (2009; see also Hacker, 2005). While the case of macroprudential regulatory reform may be exceptional with regard to the speed with which dominant ideas shifted, this form of policy change is not rare or unique. As pointed out by Bachelor (1994), policy elites often sink considerable costs into specific policy instruments and related administrative machinery (see also Capano, 2003). This makes it more feasible to adjust policy goals, when possible, keeping the rest of the policy infrastructure intact – especially when policies serve influential 'instrument constituencies' (Béland & Howlett, 2016).

The second category of critiques is the subject of a relatively recent literature on paradigm layering and synthesis (Daigneault, 2014). While layering is a concept familiar to historical institutionalism (Thelen, 2004), Kay (2007) developed the concepts of 'tense layering' and 'paradigm synthesis' in his examination of reforms to Australian healthcare financing (Schickler, 2001). Similar to Béland (2009), Kay (2007, p. 581) came to emphasize a 'three step thesis' after uncovering a process whereby public health insurance and private health insurance, as two incommensurable paradigms, were simultaneously institutionalized ('tensely layered') prior to being synthesized into a single policy known as 'universalism plus choice'. Such syntheses occur by way of what Kay (2007, p. 584) refers to as interparadigm 'patching', where the consequences of layering are dealt with by providing an ideational background that intentionally relaxes paradigmatic notions regarding the superiority of either standalone paradigm. The suggestion here is that paradigmatic ideas will not be crisply translated into public policy if they are not widely shared to such an extent that they survive formulation unblemished (Wilder, 2015, pp. 1009–10).

The main implication of this second category of findings is that, contrary to the conventional two stage understanding of policy formulation, authoritative actors need not 'select' a single alternative. Rather, policy actors may change a paradigm just as easily as they maintain it. As demonstrated by Mondou et al. (2014), policy change and policy maintenance are not necessarily separate exercises. Similar to the logic of 'muddling through' (Lindblom, 1959), maintaining a paradigm may involve temporary departures from its core rationale (Wilder & Howlett, 2015). This paradoxical image of policymaking complements Ostrom's (1990) ideas on self-governing systems wherein 'contingent strategies' – whether big or small, temporary or permanent – are incorporated into the dominant ideational frame according to a logic of pragmatism.

The third category of critiques consists of relatively well-known and long-standing amendments to the standard image of paradigmatic policy change (Durant & Diehl, 1989). In an analysis of cumulative change in agricultural policy, Coleman et al. (1996) found that non-partisan policy settings tend to promote gradual negotiated change that may turn out to be paradigmatic. Howlett (1994) made three similar findings in his examination of Canadian policies towards Aboriginal peoples: (1) the process of policy change

from an assimilationist paradigm to one favouring Aboriginal self-government occurred very gradually over the course of the twentieth century; (2) it involved disjointed processes of negotiation (consultation); and (3) it did not proceed according to the sequence outlined by Hall.

An understandable reaction to these findings would be to consider paradigm change following such gradual and negotiated processes as coincidental. In other words, in view of the theory, consultative contexts should not be expected to produce paradigmatic change. While I return to this question later on, it suffices to say that protracted paradigmatic change in negotiated settings is indeed unlikely, but by no means accidental.

In light of these contravening empirical findings, it seems the two stage heuristic is an unrealistic treatment of the formulation process. There is more to formulation than articulation and selection among alternatives. Yet it is also possible that the very notion of policy paradigms is problematic. Before getting into a discussion of what a more nuanced account of the formulation process means for theorizing about policy paradigms, it is prudent to establish precisely what actors holding paradigmatic views bring to the policy process.

Paradigms and Paradox

As pointed out by Zittoun (2015, p. 125), 'policy paradigm' is something of a misnomer, as evident by the fact that the paradigm uncovered in Hall's analysis had to do with the science of economics, not the science of policymaking.[6] What distinguishes policy paradigms from paradigms more generally is whether or not they are institutionalized in policymaking procedures and practices. While many paradigms may exist in the 'marketplace of ideas', policy paradigms are put to practical use by policymakers in their day-to-day operations (Oliver & Pemberton, 2004). This perspective, however, presumes both the rational/purposive construction of institutions (according to a single logic, at that) as well as the complete replacement of institutions at moments of policy change. These assumptions are sustained in neither the empirical work on policy paradigms nor in the scant literature on policy formulation (see, for example, deLeon, 1992; Hajer, 2005; Linder & Peters, 1990; Teisman, 2000).

The takeaway here is that there is an unmistakable discordance between paradigms in theory and practice. That said, the empirical record has not demonstrated that paradigms do not exist, nor has it demonstrated that policy paradigms are something other than what Hall thought they were (but see Daigneault, 2014). Rather, given that they are abstract ideal types, paradigms are seldom translated into policy as textbook solutions to policy problems (Wilder, 2015). We must expand our focus beyond theorizing on paradigms if we hope to understand how paradigmatic ideas influence the formulation process.

## ALTERNATIVE CONCEPTIONS OF POLICY FORMULATION

As demonstrated so far, Hall's (1990, 1993) two stage approach fails to provide a nuanced account of policy formulation. Nonetheless, according to most theories of policymaking, ideas are preordered in the minds of actors and assumed to be unchanging (Zittoun, 2015, p. 129). Leaving aside ideational adjustments necessary for effective implementation

(Pressman & Wildavsky, 1984), mainstream treatments of policy ideas remain insufficient for an adequate theory of policy formulation (Jorgensen & James, 2009). This is because policy formulation is itself a multi-stage discursive exercise where preconceived ideas change both as a consequence of social learning and as a matter of political necessity (Hay, 2001; Wilder, 2015).

Paradigms and the Micro-processes of Policy Formulation

Rather than seeing policymaking as dependent upon decision-makers' willingness to endorse one paradigmatic idea or another, it is important to recognize that the micro-processes of policy formulation add at least one additional point of articulation that may have significant consequences for the type and magnitude of change advocated within a given proposal (Thomas, 2001). Accordingly, many have argued that the rigidity of the paradigms concept as espoused by Kuhn and Hall be dropped in favour of a softer image of paradigms that accepts that rival paradigms can be commensurable (Daigneault, 2014; Schmidt, 2011). Doing so, however, obfuscates how ideas matter (Wilder, 2015), an argument I return to later on.

Figure 25.1 breaks down the process of policy formulation into four sub-stages, ranging from the conceptualization of discrete, paradigmatically precise policy alternatives to the consolidation of refined policy proposals. During *conceptualization and appraisal*, actors articulate their ideal policy solutions. At this stage, paradigmatic ideas as abstract ideal types are adapted to the specific policy context. Throughout the *dialogue* and *formulation sub-stages*, positions established during conceptualization may become less paradigmatically precise as a result of negotiation and compromise (Scharpf, 1997; Schön & Rein, 1994). These rounds, along with adjustment processes involved in the authoritative *consolidation* of policy proposals – which might involve brokered compromises between recalcitrant coalitions – often result in synthetic policy solutions that fail to maintain the ideational novelty present at conceptualization (Sabatier, 1988; Teisman, 2000).
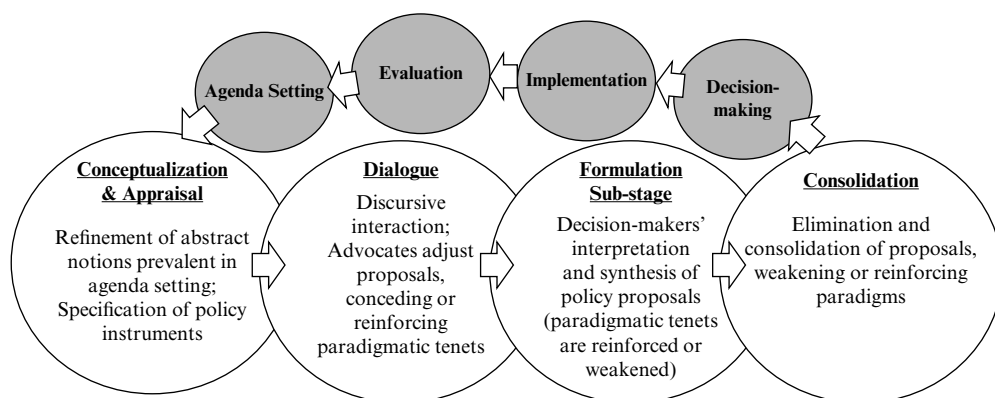
Source: Adapted from Thomas (2001).

Figure 25.1   The micro-processes of policy formulation

Such exercises in 'recombination' or 'coupling' (to use Kingdon's, 1984 terms), which occur throughout the formulation sub-stages, rarely result in a new 'synthetic paradigm', although this possibility should not be ruled out. Rather, paradigmatic proposals are often joined in ways that more closely resemble 'tense layers' (Kay, 2007). When layering is avoided, the formulation process may produce synthetic policy images/frames in two ways: (1) consciously, according to a logic of 'policy arbitrage' (Schneider et al., 1995), in which a new paradigmatic alternative is intentionally forged from two or more existing solutions, and (2) circumstantially, according to a more compromising, less rational logic called 'policy bricolage' (Campbell, 2004; Carstensen, 2011), in which solutions are pieced together in ad hoc fashion under conditions of constraint. While bricolage may eventually result in the emergence of a new bona fide paradigm, such as the 'neo-classical synthesis' in economics, the experimental orientation of bricolage means that such outcomes rely to some degree on serendipity (Lévi-Strauss, 1966, p. 150).[7]

Understanding how the formulation process plays out requires an account of both the policy context – namely, the level of ambiguity surrounding the policy problem – and actors' motivations, the latter of which cannot be separated from the policy ideas actors espouse (their preferred frames) or the institutional context in which they operate. Here we may further distinguish between the 'espoused theories' of individuals (which are more likely to be paradigmatic) and organizational 'theories in use' (which more directly impact policy) (Argyris & Schön, 1978). Policy frames, whether abstract 'espoused theories' or practicable 'theories in use', are invariably vulnerable to contestation if not always discursively negotiated to some extent. The next section deals with questions related to why, how and with what consequence contestation and negotiation of policy frames occur during policy formulation.

POLICY IMAGE RESILIENCE AND EROSION

If policy frames (also known as 'policy images') are open to both contestation and negotiation, as claimed above, then why are policies seemingly so stable? This question occupied earlier theorists puzzled by policy stability in the face of Arrows's (1951) proof that preferences in two-plus dimensional space will generate disequilibrium or, at best, cycling equilibria. The consequent inability to explain policy outcomes based solely on actors' preferences contributed to the rise of 'new institutionalism' in both economics and political science. From an institutionalist perspective, policy stability or change is not simply a matter of the resolvability of issue at hand (although this is certainly important). Rather, stability or change is contingent on the characteristics of the formulation setting.

(Faux) Equilibrium Models

Institutionalists have long recognized the importance of distinguishing between preference-induced equilibrium as it applies to microeconomic theory and structure-induced equilibrium as it applies to real-world politics. Speaking to the degree to which ideational stability leads to an equilibrium of tastes, North observed, 'individuals make choices based on subjectively derived models that diverge among individuals . . . the information the actors receive is so incomplete that in most cases these divergent subjective models show no

tendency to converge' (1990, p. 17). This, of course, does not mean that paradigmatic ideas never exist in the minds of actors. Nor does it imply that policy is the product of some pluralistic compromise between divergent tastes in society (as per the notion of a society-wide 'reflective equilibrium'; see Rawls, 1971). Physical access to the policy process is far too restricted, and the search capacity of policymakers far too limited, for the pluralistic image to hold true (Scharpf, 1997; Simon, 1997). Rather, both institutions and ideas serve preference ordering functions necessary for effective policy action. If institutions are efficacious, we need not look to their corresponding ideational frames – to an equilibrium of tastes – to explain stable outcomes. However, at periods of change, the coherence of ideational frames, paradigmatic or otherwise, matters tremendously (Streeck & Thelen, 2005, p. 18).

The dominant understanding of equilibrium in political science is that it is structurally induced (Shepsle, 1979). As far as preferences are concerned, stability is considered to reflect 'systematic biases' based on roughly equilibrated preferences among elites, not 'popular biases' based on equilibrated tastes in society (Baumgartner & Jones, 1993; Elkin, 1987). As such, policy stability depends on the extent to which systematic biases are maintained, both within elite circles and vis-à-vis the (partially apathetic) electorate that grants the elite its mandate (Mondou et al., 2014). This requires that dominant frames be discursively reconstructed as contexts change, which depends upon the rhetorical savvy of proponents of the status quo. But discourse cuts both ways, and can just as easily be used to undermine policy stability. As Jones put it, 'preferences in politics are less directly connected to goals than are those in economics, so that actors can more easily persuade others that a policy relates to their ends in politics . . . in economics, preferences change only exogenously (for example, through new technologies), whereas in politics, preferences can also change endogenously (for example, through persuasion)' (Jones, 1989, p. 10).

In political science, the best known treatment of persuasion is William Riker's (1986) 'heresthetic', which centres on the rhetorical manipulation of policy dimensions (sometimes called 'attributes'). Insofar as paradigms are concerned, while it is true that incommensurability prohibits dimensional manipulation, successful rhetoric convinces participants to see dimensions in a new light (as per the logic of arbitrage discussed earlier; see Schneider et al., 1995). Because commensurability is relative (Wilder, 2015), creativity and ingenuity surrounding new ways of thinking create opportunities for dimensional couplings not previously considered or thought possible. That said, it should be stressed that opportunities to affect such couplings are limited by a range of technical, cognitive and institutional constraints, a major one being the brevity of 'policy windows' and 'choice opportunity structures' (Cohen et al., 1972; Kingdon, 1984). Although opportunities are constrained by 'political time', 'stable winners' may emerge from what may appear at first to be quite contentious and divided settings.

It should be clear by this point that institutions are not necessarily paradigmatic. Rather, institutions may themselves facilitate endogenous policy change (Ostrom, 1990; Streeck & Thelen, 2005). Although equilibrium may be structurally induced in some policy settings by institutionalized paradigms – as theorized to be the case in closed, hierarchically organized policy subsystems (Howlett & Ramesh, 1998) – formulation occurs, now more so than ever, across many different settings (Teisman, 2000). For this reason, 'venue change' – which was argued by Baumgartner and Jones (1993) to be a necessary condition for major reform in policy areas dominated by closed subsystems – may be less

integral to paradigm erosion than in the past. Beyond decentralization, policy formulation is now more often intentionally transparent, inclusive and deliberative (Peters, 2011). This brings the discussion to consultation, bargaining and negotiation.

Bargaining and Brokerage

Riker is not the only rational choice theorist to accommodate image manipulation by engaging with dimensional analysis. Rational choice perspectives on bargaining also foresee dimensional compromises during negotiation. Scharpf (1997, chapter 6), for example, demonstrates this tendency in game theoretic terms by constructing four arche-types of negotiated agreements that bear a direct correspondence to negotiated modes of policy formulation.[8] Owing to his focus on rules of negotiation, Scharpf's approach is useful for predicting the outcomes of negotiated processes when the positions of actors can be estimated a priori. The crucial point gleaned from Scharpf is that unforeseen compromises may result from the deliberative process, not just in terms of 'splitting the difference' by way of mutual adjustment (that is, arriving at the midpoint between actors' ideal preference points) but also in instances when 'side payments' and logrolling are nec-essary to achieve agreement (Schön & Rein, 1994).

Obtaining sanction to go forward from actors possessing veto power – whether formal or effective – is common to formulation. Regime theorists, for example, have long recog-nized that the state often does not possess the requisite resources and expertise to go it alone on many policies, making policy formulation a collective action problem (Olson, 1971; Stone, 1989). The state is not, however, at the complete mercy of economic interests and experts, but has a unique ability to assume coordination costs involved in assembling and maintaining policy regimes (Haas, 1989). This gives the state a pronounced role to broker or force compromises between obstinate coalitions, many of which would prefer to 'go along' rather than miss the opportunity for a spot on the 'policy bandwagon' (Elkin, 1987; Kingdon, 1984; Sabatier, 1988).

When do Paradigms Matter for Policy Formulation?

Having established the non-ideational mechanics behind ideational change, I now return to the content of policy ideas. Specifically, what is needed is an account of how ideational content changes as a result of learning, mediated as learning is by the political processes just described. Dunlop and Radaelli (2013) provide a framework for understanding policy learning that uses three dimensions pertinent to this discussion. These are actor certifica-tion, problem tractability and control. Actor certification is essentially an analogue for authority, delegated or otherwise. Problem tractability represents the level of ignorance, uncertainty or ambiguity surrounding policy problems. Control conveys the degree to which learning is constrained or structured, for instance, by institutionalized veto players.

Accounting for the system of actor certification allows us to differentiate learning dynamics in monopolistic settings from those in negotiated/consensual settings, while taking care to distinguish between absolute and delegated authority. Pivoting off Dunlop and Radaelli's insights concerning the level of control over how learning occurs, we may factor in the degree of contestation around a policy problem as an additional contextual characteristic affecting outcomes, but one that is unique to negotiated settings.

Table 25.1   Dynamics of policymaking in negotiated settings (dispersed authority)

Degree of contestation			
Level of ignorance	High		Low
High	Politicized experimentation		Bayesian trial and error
Low	Synthetic outcomes (1) arbitrage (2) bricolage	Layered outcomes (3) layering (4) tense layering	Paradigm survives formulation unamended

Table 25.1 outlines the relationship between the degree of contestation and the level of ignorance surrounding policy issues in negotiated settings. Since paradigmatic ideas necessarily correspond to low levels of ignorance, paradigmatic outcomes are limited to the bottom row of Table 25.1. Recalling the previous discussion on the micro-processes of policy formulation (see Figure 25.1), the bottom right quadrant represents a situation in which paradigmatic ideas present during conceptualization survive the formulation process unamended. This is only possible in negotiated settings if the degree of contestation is low. When contestation is high and the level of ignorance is low, as per the bottom left quadrant of Table 25.1, we can expect either ideationally synthetic or layered outcomes.

Some discussion of the bottom left quadrant of Table 25.1 is warranted since high contestation paired with low ignorance gives rise to four possibilities: two synthetic possibilities and two layered possibilities. One synthetic possibility is that policy is thoughtfully crafted by bringing together two or more pre-existing solutions according to the logic of 'policy arbitrage' (Schneider et al., 1995). In a case of pure arbitrage, the synthetic policy will possess the qualities of a new standalone paradigm. The second synthetic possibility is that policy is cobbled together according to the less rational, more experiment-oriented process of 'policy bricolage', in which case the immediate status of the outcome is less certain (Campbell, 2004). When ideational synthesis proves impossible, layered outcomes will be the norm. One layered possibility is that two or more separate policy solutions are pursued simultaneously (Thelen, 2004). The second layered possibility is a situation in which two or more paradigmatic alternatives are pursued simultaneously. The fact that these paradigmatic alternatives are resistant to synthesis suggests that they exist in a 'tense' relationship with one another, hence the term 'tense layering' (Kay, 2007).

Aside from these outcomes, when ignorance is high and contestation low, as in the top right quadrant in Table 25.1, non-politicized learning begets a Bayesian process of trial and error policymaking. When both ignorance and contestation are high, problem solving is politically contentious, in which case contestation is likely to centre upon the definition of policy anomalies (Wilder & Howlett, 2014, 2015).

This is of course not the whole story. While collaborative governance arrangements are increasingly common (Howlett, 2014), hierarchical policymaking settings still abound wherein contestation is limited by structure-induced equilibrium. It should be stressed, however, that policy monopolies are by no means exclusive to hierarchical arrangements. Rather, monopolies may be prevalent in highly technocratic but consensus-based policy areas where issues are well understood or, conversely, in policy areas where a dearth of

Table 25.2   Dynamics of policymaking in monopolistic settings (concentrated authority)

	Homogeneity of group interest	
Level of ignorance	High	Low
High	Bayesian trial and error pursuit of group interest	Bayesian trial and error towards equilibrated group interest
Low	Paradigm survives formulation unamended	Synthetic outcome (arbitrage)

contravening ideas produces monopolies despite a high level of residual uncertainty and potential for contestation. These possibilities fall in the bottom right and top right quadrants of Table 25.1, respectively.

When policy ideas are not contested, due perhaps to the closed nature of the policy setting, we should resist the assumption that paradigmatic ideas determine outcomes. Regime theory is once again illustrative in that it does not assume that a monopoly over policymaking begets or follows from homogeneity of interests, as per the notion of 'policy image monopolies' (Baumgartner & Jones, 1993). This is due to the tendency for 'policy bandwagoning' to bring what are only marginally similar interests – and, in some cases, dissimilar interests – into the policy fold, a phenomenon described by Elkin (1987) as 'going along'. As such, homogeneity of interests may be variable even within monopolistic (that is, single-coalition) policymaking settings (Sabatier, 1988).[9]

Table 25.2 outlines the relationship between homogeneity of the group interest and the level of ignorance surrounding policy issues in monopolistic settings. Unlike Table 25.1, it is not helpful to consider political contestation in monopolistic settings because important actors are politically aligned as a single coalition. Instead, the degree to which interests are homogeneous within the monopolistic group is a variable of interest.

Once again, since paradigmatic ideas resolve ambiguity (lowering the level of ignorance), paradigmatic outcomes are confined to the bottom row of Table 25.2. Recalling the micro-processes of policy formulation, paradigmatic ideas present at conceptualization should only be expected to survive the formulation process unaltered when the level of ignorance is low and homogeneity of group interest is high, as per the bottom left quadrant of Table 25.2. When both ignorance and homogeneity of group interest are low, as they are in the bottom right quadrant, we should expect synthesis according to a logic of arbitrage. Unlike negotiated settings, bricolage and layering are typically avoided in monopolistic settings because monopolistic settings often employ dictatorial or majoritarian rulesets (Scharpf, 1997). This means that subordinate interests in monopolistic settings have little choice but to go along with the dominant or majority interest (Sabatier, 1988).

How the dominant or majority interest comes to be defined is, however, an important question. In contrast to negotiated settings, both internal conflict and negotiation are likely to be avoided *ex ante* by mutual adjustment on the part of participants in monopolistic settings. For this reason, we often do not recognize synthetic outcomes when we see them because coalition members have re-equilibrated the group interest ahead of time. Indeed, many 'peak' groups engage in behind-the-scenes re-equilibration on an ongoing

basis as a means of 'image management' necessary for retaining a policy monopoly (Bachelor, 1994; Mondou et al., 2014; Ostrom, 1990; Scharpf, 1997, pp. 107–10). Rational arbitrage triumphs over ad hoc bricolage and layering in monopolistic settings because compromise is much less integral to successful policy formulation in monopolistic settings than it is in consensual settings.

As for the top row of Table 25.2, starting with the top left quadrant, high homogeneity of interests paired with a high level of ignorance is expected to produce Bayesian experimentation in the pursuit of the group's (uniform) interest. Conversely, moving to the top right quadrant, low homogeneity of interest along with a high level of ignorance produces somewhat unpredictable outcomes, but outcomes unlike those surrounding politicized experimentation in contested/negotiated settings. Rather, a high level of ignorance is at least somewhat responsible for low homogeneity of group interests since uncertainty corresponds with ambiguous preferences. Accordingly, the process is likely to be Bayesian in both top row quadrants of Table 25.2: in pursuit of known group interest on the left side, and in pursuit of eliminating ambiguity and achieving equilibrium of group preferences on the right.

In summary, in monopolistic settings, the community of actors may be treated as an organizational entity in which friction between internal interests may be reduced by prior negotiation or, more likely, mutual adjustment (Argyris & Schön, 1978). Arriving at such a 'reflective equilibrium' is possible, however, only if the level of ignorance surrounding policy problems is low, with the result being a synthetic outcome if interests diverge significantly. When the level of ignorance is high, guidance may be reduced to the pursuit of interests alone, but the coherence of this strategy is dependent upon a relative homogeneity of interests. This leaves only instances in which the level of ignorance is low, while the homogeneity of interests is simultaneously high, that we should expect a paradigm to guide formulation processes from start to finish in monopolistic settings.

Formulation dynamics are similar in consensual settings, with two important differences. Given the variety of actors' backgrounds, mutual adjustment will be less common than negotiation and bargaining. This is why an axis representing 'homogeneity of interests' is appropriate to monopolistic policy settings, while 'degree of contestation' is appropriate to more deliberative fora. In the latter, we should expect a paradigm to inform formulation from start to finish only when contestation and the level of ignorance are simultaneously low.

CONCLUSION

A parochial focus on technical policy areas may have led earlier research to assume paradigmatic policymaking is more widespread than is actually the case. While it is true that the American system of policymaking – one in which technical issues are handled in closed, hierarchically organized subsystems and only occasionally disrupted through legislative action – resonates with Kuhn's ideas on stable 'normal science', policy formulation in most other countries does not adhere to this model. Instead, in part due to the relative inefficacy of legislatures in many political systems, the process of policy change has not played out as predicted in many empirical tests of the paradigm change hypothesis (Coleman et al., 1996). Beyond this, the advent of new gov-

ernance arrangements threatens the extent to which day-to-day policymaking mirrors normal science (Zittoun, 2015). In many such arrangements, even technical questions have become contested as they have become subject to more open consultation and deliberation. In the language of the framework introduced in this chapter, important changes have occurred in many policy areas with regard to both the 'level of ignorance' and 'degree of contestation', making paradigmatic policymaking less common nowadays than it may have been in the past. In Kuhn's terms, policy is more often than not 'pre-paradigmatic'.

Should the fact that paradigms are rarely dominant in policy formulation be cause for despair? My answer is no. Where consensus is clear on technical and distributive questions, policy paradigms are likely to emerge. Where these issues are contested, equilibria derived from policy image monopolies will be unstable, as Baumgartner and Jones (1993) suggest. While more purposive/rational policy formulation would be preferred, the characteristics of the formulation process often reflect what is known, and what is agreed to be known, about a given area of public policy. As ambiguity is overcome and greater levels of consensus achieved, both within and between groups, policy formulation will become more paradigmatic. While the image of paradigmatic policymaking may have been apt for capturing the formulation dynamics of a bygone age of closed-quarters formulation, it appears as though these criteria are rarely satisfied at present.

NOTES

1. Policy formulation is, at present, best understood in its relation to other stages in the policy cycle (Anderson, 1975). Implicit in the policy cycle heuristic is the notion that formulation is the rational process of packaging and selecting policy alternatives made present during agenda setting. However, the stages heuristic is, for the most part, a mere conceptual framework; (re)formulation may occur at any point after formal formulation, the latter of which does not always take place (see, for example, Pressman & Wildavsky, 1984).
2. While sociological institutionalism posits that durable institutions may be constructed for any number of reasons, historical institutionalism challenges the assumption of purposive institutional design. Historical processes that lend themselves to institutional change and continuity are not driven explicitly by the actions of agents working within institutional contexts, but by larger processes in which institutions themselves are embedded (Granovetter, 1985). Staking out a middle ground between the 'atomized' image of policymaking conveyed by the rational choice perspective and the structuralism (whether functional or dysfunctional) implied by the other 'institutionalisms', there has been growing interest in the discursive construction of public policies from a fourth institutionalist perspective – discursive institutionalism – that stresses the ongoing deliberation and negotiation of policy frames (Schmidt, 2008).
3. In fact, Hall (1993, p. 284) was careful to point out that '[a]lthough something of a new synthesis between them has emerged in recent years, during the period examined here, namely the 1970s and early 1980s, these two economic ideologies were distinct paradigms'. The paradigm change hypothesis was thus considered by Hall to apply only to very specific cases at very specific points in time.
4. For a discussion of the implementation of paradigmatic ideas, see Wilder (2015).
5. State-centric policy environments being those wherein formulation is dominated by closed, hierarchically organized subsystems (see Howlett, 2009).
6. On this point, it is arguable that Baker's (2013) analysis of macroprudential regulatory reform, which also deals with the science of economics, more closely adheres to Kuhn's ideas on the sequence of scientific revolutions than it does Hall's ideas on the sequence of policy revolutions. Compared to Kuhn, Hall hypothesizes greater contestation over the nature of policy anomalies, which may be more pronounced in his case than Baker's due to the politicized nature of macroeconomic policy relative to banking regulation. Politics, while no doubt present in the natural sciences, is much more salient with respect to maintaining the policy status quo. As Howlett (1994, p. 642) put it, 'in the policy world . . . the returns to individuals often run in the direction opposite to those in scientific communities, with conformity rather than iconoclastic behaviour reaping the rewards'. This may explain why Baker uncovered a highly 'technocratic' process whereby the

community of adherents quickly abandoned the old paradigm prior to any effort to rescue it by way of first and second order alterations.

7. I neglected to make the distinction between arbitrage and bricolage in Wilder (2015), though I think it is an important one, particularly as it relates to ideas accompanying policy diffusion and transfer.

8. These are spot contracts, distributive bargaining, problem solving and coordinated negotiation, which exist in addition to four other general modes of policy formulation, namely, unilateral action, negotiated agreement, majoritarian systems and hierarchical direction (Scharpf, 1997).

9. Atkinson and Coleman (1989) discovered that consensus is rare even among peak and sectoral economic interests – precisely those interests assumed in the literature to be most uniform.

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