

Chapter 5

Rationality and Incrementalism

This chapter examines:

- How we define comprehensive and bounded rationality.
- The literature which uses comprehensive rationality as a point of departure.
- The argument that incrementalism is both a realistic description of how policy is made and how it should be made.
- How the study of incrementalism informs the big questions of political science, such as: how should we make policy? Should power be concentrated in the 'centre' or spread throughout political systems?
- The applicability of bounded rationality and incrementalist studies to multiple political systems.
- How the effects of bounded rationality are conceptualized by modern theories.

The classic method to study public policy is to select an ideal model and compare it to the 'real world'. The most established approach begins with the assumption of 'rationality'. Many models assume that rational actors 'maximize their utility' by weighing up the costs and benefits of their actions according to their preferences. The models contain a series of assumptions – preferences are fixed and able to be 'ranked' in order of importance; actors have perfect information and a perfect ability to make choices according to their preferences – which simplify rather complex decision-making processes. These assumptions are central to the empirical process in some discussions. For example, rational choice theory (Chapter 7) builds models and 'tests' their predictions against real world situations, assessing the extent to which the models correctly predict political outcomes.

Comprehensive rationality – an ideal type of decision making in which policymakers translate their values and aims into policy following a comprehensive study of all choices and their effects.

The study of **comprehensive rationality** takes a different path. It begins in a similar way by identifying a series of assumptions – about the preferences of policymakers and their ability to make and implement decisions – but they are treated as unrealistic from the beginning. It represents an ideal-type in two main ways. First, it is an unrealistic simplification of reality used to explore what really happens when policymakers make decisions.



Numerous models develop more 'realistic' accounts using comprehensive rationality as a point of comparison. Policymakers are subject to varying forms of **bounded rationality** in which their preferences are more difficult to pin down and their ability to make and implement policy decisions is more problematic. Second, it may be treated as an ideal to *aspire to*. A process in which elected policymakers identify problems, clarify their aims and carefully weigh up solutions before making a choice (based on perfect information and no resistance from unelected implementing officials) may resemble a common sense view of how democracies should operate. This double-ideal is what makes 'incrementalism' so interesting: it argues that comprehensive rationality is descriptively inaccurate and *prescriptively inadequate*; policymakers cannot reach this ideal and they should not try.

Bounded rationality – a more realistic model which identifies the factors – such as uncertain aims and limited information – that undermine comprehensive rationality.

These issues are often simplified by focusing on (and exaggerating) the differences between the two most prominent scholars of comprehensive rationality in the twentieth century. While Herbert Simon focuses on the need to 'satisfice', or combine rational processes with **rules of thumb** to reach an acceptable proximity to the comprehensive ideal, Charles Lindblom appears to promote the practical and normative value of departing from it. Incrementalism suggests that the most realistic strategy for boundedly rational policymakers with

Rule of thumb – a procedural shortcut that is easily learned and applied rather than completely accurate or reliable.

limited policymaking resources is to make a succession of incremental changes to public policy based on the lessons of past decisions.

This debate is 'classic' but it is no less important now than it was in the early post-war period. It raises the big questions of political science regarding how we should make policy and to what extent power should be concentrated in the centre or core executive. Further, the identification of bounded rationality and its consequences is a fundamental part of most contemporary theories of public policy. It allows us to identify key sources of policy continuity and change in those theories. On the one hand, incrementalism is one of many discussions to highlight the limits to radical policy change by comprehensively rational policymakers. It is joined by 'inheritance before choice' which links policy inertia to the cumulative effects of incremental decisions, and some implementation studies which suggest that 'street level bureaucrats' often resist top-down innovation. On the other, punctuated equilibrium theory discusses incrementalism punctuated by rapid and profound shifts of attention and policy, while policy diffusion highlights the scope for significant change when boundedly rational policymakers emulate the policies of other governments.



What is comprehensive rationality?

The discussion of comprehensive rationality prompts us to question our assumptions about the power of the 'centre' to cause policy change, either as a single-decision maker, a 'core-executive' or governing organization:

- Do individual actors at the 'top' have the ability to research and articulate a series of consistent policy aims and then make sure that they are carried out?
- Can an organization act in the same manner as a rational decision maker?

Comprehensive rationality suggests that elected policymakers seek to translate their values into policy, aided by organizations which operate in a 'logical, reasoned and neutral way' (John, 1998: 33). The model includes a series of assumptions:

- 1 Organizations can separate values (required by policymakers to identify their aims) from facts (required by organizations to assess the best way to achieve those aims) when researching policy.
- 2 Organizations and policymakers can produce consistent policy preferences, and rank them, to help maximize societal gain (in the same way that an individual ranks preferences to help 'maximize utility').
- 3 Policy is made in a linear fashion. First, policy aims are identified in terms of the values of the policymaker. Second, all means to achieve those aims are identified. Finally, the best means are selected. There are clear-cut stages to the process – such as between agenda-setting (identifying aims), formulation (identifying choices and making decisions) and implementation (carrying them out).
- 4 Analysis of the decision-making context is comprehensive – all relevant factors and possibilities have been explored, and all theories regarding how the policy process works have been considered (Simon, 1976; Lindblom, 1959; Jordan and Richardson, 1987: 9–10; John, 1998: 33; Hill, 2005: 146).

Of course, since this is an idealized version of the policy process, the assumptions are unrealistic. Most approaches begin their analysis by identifying the limitations to comprehensive rationality. First, it is impossible to separate facts from theories and values in such an artificial way (Simon, 1983: 8 argues that the best way to demonstrate this point is to read the 'facts' in Hitler's *Mein Kampf*; see also Brinkmann, 2008; Etzioni, 1967: 386). Policy problems are always subject to interpretation



and debate, there is often no widespread agreement on the cause and solution of the problem, and our knowledge of a policy's likely impact informs our attitude to it. Therefore, a combination of facts and values determines whether or not a policymaker identifies a problem to be solved.

Second, policymakers have multiple, and often unclear, objectives which are difficult to rank in any meaningful way. Therefore, they tend to pursue a small number of those aims which command their attention at any one time. Policy aims can also be contradictory – choosing a policy to address aim A may mean undermining a policy to address aim B, producing clear winners and losers from the policy process. These problems are multiplied when extended to organizations. Governments contain a mass of organizations pursuing policy aims relatively independently of each other, with little regard to the idea of centralized and ranked preferences or the trade-offs in policy choices (or little 'joined-up government').

Third, the policy process is not necessarily linear and it is difficult to separate the policy cycle into discrete stages. For example, implementing organizations have the discretion to make decisions which affect the nature of policy; change may depend as much on the values of implementing officials as policymakers. Or, the decisions made by policymakers at the top may merely legitimize practices at the 'bottom' (Chapter 2). The 'garbage can' model (Box 11.4) presents the most significant departure from an assumption of linearity, suggesting that the three processes – problem definition, solution, choice – appear to act almost independently, with the potential for a completely different order. It begins with solutions that already exist and then 'chase problems'. Then, policymakers select a solution that already exists to a problem defined for them.

Finally, policymakers are faced not only with incomplete knowledge of the policy environment and the likely consequences of their solutions, but also cognitive and time constraints which limit their ability to consider and understand every possible solution. Organizations do not have the capacity to consider every fact and solution; the cost of research forces them to set priorities. The search for theories to explain policy problems are limited by the values and emotions of policymakers (which predispose them to consider only some solutions) and organizational rules of thumb based on past experiences.

Bounded rationality

A more realistic view of the policy process is based on 'bounded' rationality:



98 *Understanding Public Policy*

- 1 Individuals and organizations cannot ‘maximize’ their utility; instead, they ‘satisfice’, or seek ‘a course of action that is satisfactory or “good enough”’.
- 2 They have neither the ability nor the inclination to consider all facts; instead they use simple rules of thumb to focus on the factors considered to be most relevant and important (Simon, 1976: xxviii).

Simon’s aim is, *as far as possible*, to use ‘administrative science’ to solve the problem of bounded rationality within organizations: by training officials in policy analysis to open their mind to new possibilities; fostering the development of specialization and expertise in information processing; teaching officials the most appropriate rules of thumb to make an organization more effective; and supporting the long-term goals of an organization by providing the right incentives (1976: 242–3; 1960). In other words, we no longer assume that officials within organizations are neutral. Rather, we seek to influence their behaviour to further policy-maker aims. Simon’s term ‘satisfice’ is appropriate, because this is not a straightforward process (Hill, 2005: 146–7; Parsons, 1995: 273–84). First, it requires an ability to identify the values of an organization and the policymaker it serves. Second, it assumes that a sole, central decision maker can control an incredibly complex policy process. When these conditions are not met, the recommendations act as a means to reduce the harm of (rather than solve) organizational complexity.

Incrementalism

Lindblom’s model of incrementalism (Box 5.1) provides a similar critique of comprehensive rationality, stressing the limits to cognitive and problem solving abilities, the **opportunity cost** of comprehensive research, and an inability to separate facts from values. It also goes further by taking the role of politics more seriously and providing an alternative to the ideal of comprehensive rationality.

Opportunity cost – the value of option B which is forgone when we pursue option A. For example, the cost of a decision to study many policy options is the forgone chance to study fewer options in more depth.

When viewed through the lens of comprehensive rationality, the ability to identify problems, consider solutions and make choices seems unencumbered by politics. Yet, making choices is inherently political; it is about winners and losers. A policymaker has to consider not only her/his values but also, for example, the balance of power within the legislature and the reaction to policy changes by interest groups. Politics is often about making trade-offs between one’s own aims and those favoured by other actors, or



Box 5.1 The meaning of incrementalism

The meaning of incrementalism is often clouded in three main ways. First, the meaning of 'incremental' is disputed. It is often equated with change through small steps. However, Lindblom (1979: 517) argues that increments can be large or small. The crucial distinction is between radical and non-radical change: does it follow logically from existing policy or mark a significant departure? This argument solves one problem but raises another: can we really separate radical and non-radical change in a straightforward way? Second, incrementalism can be a description of how policy is made or a discussion of the most useful strategies to pursue (or perhaps a confusing mix of both). Third, incrementalism can refer to analytical strategies, in which we decide how to (or study how organizations) overcome problems related to comprehensive rationality:

- Simple incremental analysis – analysis limited to a small number of policy choices which diverge incrementally from the status quo; based on the argument that it is better to analyse a few issues comprehensively than seek comprehensive coverage of all issues.
- Disjointed incrementalism – the simplifying strategies used by organizations (including simple incremental analysis, trial and error, parallel processing).
- Strategic analysis – realistic policymaking strategies (including disjointed incrementalism and 'mixed scanning') used as an alternative to the 'futile attempt at superhuman comprehensiveness' (Lindblom, 1959: 88).

Or, it can relate to political strategies and how we produce policy agreement. For example, Lindblom (1959: 85) identifies 'mutual adjustment' – a process in which actors pursue their own interests and respond to the effects of other actors doing the same (by researching and anticipating their positions, using persuasion and seeking allies).

choosing policies that suit the aims of one actor over another. Policymaking is costly: it takes time and political will to persuade political parties, vested interests and the public that major policy change is appropriate (and to ensure that policy is implemented). It is also unpredictable: policymakers often react to events or solve problems caused by previous policies rather than devote the required time to major new policy initiatives. Consequently, boundedly rational policymakers are much more likely to introduce incremental policy changes – based on learning from past experience and addressing the unintended consequences of previous decisions – than introducing major new policy initiatives.

Lindblom suggests that policymakers do not begin by articulating their values, translating them into policy aims in rank order, and seeking the best means to achieve them. Rather, their willingness to trade off one



aim for another only becomes clear when they make policy decisions. The analysis is not comprehensive, considering all of the empirical and theoretical implications. Rather, organizations analyse the effects of incremental change and ignore many important possible outcomes, alternative policies, theories and values. Consequently, we can no longer equate 'good' policy with its adherence to the values of policymakers. The test of 'good' policy shifts from its ability to satisfy wider policy objectives, to whether or not it commands agreement within the wider political system (Lindblom, 1959: 81). It suggests that an incremental strategy will generally be used as a rule of thumb: if a previous policy commanded widespread respect then policymakers will (and should) recognise the costs (analytical and political) of a significant departure from it.

Lindblom's prescription appears different from Simon's when he treats incrementalist strategies as reasonably efficient, sensible and democratic. First, it is efficient for government organizations to spend most of their time focusing on the effects of incremental departures from current policies; the more radical options are rarely given serious consideration by major political parties. Second, it is sensible for policy change to take place through a series of steps, to reduce the chance of making 'serious lasting mistakes'. The effects of non-incremental decisions are relatively unpredictable and more difficult to solve (1959: 86). Finally, to change policy radically may be considered undemocratic. Existing policy is based on, if not wide agreement, then at least a long-term process of negotiation, bargaining and adjustment. In a pluralistic system (Lindblom's analysis is based on the US political system), the values and policies pursued in one arena are counterbalanced by similar processes elsewhere. No single actor commands the policy process as a whole. Rather, multiple actors and agencies pursue their interests and command their own powerful 'watchdogs' to anticipate or redress 'damages done by other agencies' (1959: 85). This allows a process of 'partisan mutual adjustment' between a range of powerful interests (which accomplishes more than an all powerful central actor could – i.e. note Lindblom's comparison of the US to the Soviet Union). Overall, Lindblom (1965) recommends focusing intensely on a small number of policy options that depart incrementally from the status quo.

The normative debate: how should we make policy?

These issues prompted one of the most significant public policy debates in the post-war period. A common line held by Lindblom's critics is that incrementalism represents a more realistic model than comprehensive rationality, but has less to offer as a policymaking ideal.

Box 5.2 Periods of crisis: from the new deal to the credit crunch

As an example of crisis, Dror (1964: 154) highlights the US's New Deal period (the mid-1930s) in which a range of policies – to address unemployment, the welfare state, banking, industry and agriculture – were produced to deal with the Great Depression. The modern equivalent is the 'credit crunch', which describes the fallout from a period of international banking crisis, following the decision by many financial institutions to take excessive risks (particularly when supporting the 'sub-prime' lending market). The shock to political systems was so great that it undermined the ability of many to function (for example, Greece and Ireland were forced to accept large loans from the EU), and forced most governments to fundamentally reconsider their attitudes to the market, regulation and state intervention in a very limited time. Governments that had previously supported the market and deregulation suddenly came under pressure to guarantee deposits in or buy (often controlling) shares in banks to reinstate confidence and stop the major institutions from failing.

Dror (1964: 154) argues that Lindblom's normative thesis only holds if three conditions are met: existing policy is broadly satisfactory; the nature of the policy problem has not changed significantly; and there have been no significant advances in the means to solve problems. While these conditions hold during periods of social stability, they are not met: in newly developing states seeking to throw off the inheritance of an occupied past; during periods of crisis (Box 5.2); when attitudes change dramatically (such as when governments changed their approach to poverty or race); and when new technology requires change (otherwise, for example, a nation's armed forces will be 'excellently prepared for the last war' – Dror, 1964: 154). Our ability to learn from the past is diminished when the policy problem and its context is radically different. Overall, Lindblom's thesis legitimizes the bias towards inertia and conservatism in the US political system and discourages organizations from breaking their usual routine (Dror, 1964: 155). Given that governments already 'muddle through', Dror recommends a series of initiatives – such as brainstorming – to encourage them to plan their activities more efficiently, clarify their values, identify alternative policies and identify issues more worthy of comprehensive analysis (1964: 156).

Lindblom's (1964: 157) reply is that, while a 'disjointed incremental strategy' is not appropriate in *all* situations, *most* policy decisions (in liberal democracies and 'stable dictatorships' alike) meet Dror's criteria (see also Braybrooke and Lindblom, 1963). Further, it is only incrementalism that allows organizations to function effectively. Taking the com-

prehensive ideal seriously would 'paralyse' an organization by frustrating its staff and exhausting its resources before a decision is made (see also Etzioni, 1967: 386). In contrast, a regular routine affords it the chance to seek new directions without seeking the impossible (the analogy is the choice between pursuing unaided versus mechanical human flight). Lindblom's final defence is perhaps the most striking. Incrementalism should *not necessarily be equated with continuity and stability*: 'Logically speaking, one can make changes in the social structure as rapidly through a series of incremental steps as through drastic – hence less frequent – alterations' (1964: 157). If policymakers are inherently risk averse, they may be less likely to select radical policy choices but more likely to select options which may *appear* conservative but have a significant cumulative effect. Short-term continuity may mask long term change.

For Etzioni (1967: 387–8) this defence is limited for two related reasons. First, the idea of successive limited comparisons suggests that policymakers could take a circular path without more 'rational' direction. A move towards radical change through small steps assumes that policymakers refer to a long-term strategy when considering if the short term direction of policy is 'right' (Cairney, 2007a). Second, Lindblom treats the 'big' policy issues that do not conform to an incrementalist model as exceptional rather than worthy of the most study. Yet, incremental policy steps only make sense if we consider the fundamental decisions required beforehand. For example, the argument that defence spending is high and does not change much is incomplete without identifying the 'critical turning point' (such as a fundamental decision to go to war) which caused such high spending in the first place (Etzioni, 1967: 389). Organizations therefore need the ability to identify, and research comprehensively, the fundamental decisions which set the direction for incremental change. Etzioni's (1967: 389) solution is 'mixed scanning', which draws on the analogy of weather satellites to recommend a combination of broad scanning of the overall terrain and 'zeroing in' on particular areas worthy of more research.

In most cases this debate may be largely 'artificial' (Smith and May, 1993; see also Gregory, 1993). Lindblom's critics agree that incrementalism is a widespread phenomenon and that organizations do not change their behaviour beyond the margins, while Lindblom (1979: 518) argues that the dismissal of comprehensive rationality as an ideal does not mean a rejection of *better decision making*. Rather, the pursuit of a more realistic ideal would be more helpful. Lindblom's (1979) subsequent recommendation of 'strategic analysis', as a guide for decision makers, can include mixed scanning and Simon's discussion of 'administrative science'. The debate is also based on a rather unclear but crucial issue: the extent to which we can say that one change is radical while another

represents stability and continuity. Since the nature of policy problems is open to interpretation and debate, there is no objective way to identify 'fundamental' policy issues or decisions (Smith and May, 1993: 203; indeed, many fundamental choices, such as decisions to go to war, appear to have been made incrementally – Hill, 2005: 151). The incremental/radical policy change distinction seems obvious, but where is the dividing line?

The normative debate: should power be concentrated in the 'centre'

Is the comprehensive ideal something to aspire to? So far we have discussed this question in a rather technical way, focusing on the limits to resources and cognitive abilities. In this section we explore its normative assumptions about power. The ideal of comprehensive rationality includes an assumption that power is held centrally by policymakers whose decisions are carried out by neutral bureaucrats or other organizations. In other words, a central decision maker *should* control the policy process. Or, the final word should rest with the chief executive of a particular organization. The ideal of comprehensive rationality has its critics because it suggests that power should reside in the hands of senior managers 'to the detriment of low ranking staff, clients and patients, whose perspectives are in practice neglected' (Smith and May 1993: 199). It takes us back to the concerns raised by top-down versus bottom-up forms of implementation: our need to balance the authority of the top with the local knowledge at the bottom; and, to dovetail the delegation of policymaking to people who know best how to do it with the maintenance of a meaningful degree of accountability for the outcomes (Chapter 2).

Lindblom's assumption of pluralism (1959: 85) has also been subject to considerable criticism. Incrementalism is tied closely to the suggestion that political consensus is the best measure of 'good' policy. What this may really mean is that 'good' policy will be decided by those most powerful if power is not as diffuse as Lindblom assumes. As Etzioni (1967: 387) argues, 'partisan mutual adjustment' does not guarantee equality, because 'partisans invariably differ in their respective power positions; demands of the underprivileged and politically unorganized would be underrepresented'. The more that resources within society are dispersed unequally, the less meaningful it becomes to talk of 'mutual' adjustment instead of coercion or dominance. Lindblom appears to accept these concerns in later work (1977; 1979), particularly noting the imbalance of power towards big business in a market system.

However, Lindblom argues that an unequal distribution of power in politics is not a good enough reason to reject 'partisan mutual adjustment'. A more centralized system may not redress this balance of power: 'strong central authority can be – and historically is, in case after case – an instrument for protecting historically inherited inequalities' (1979: 523). Indeed, the appearance of a comprehensively rational process may be used to minimize public, parliamentary and pressure group attention to inequalities. This allows us to revisit Dror's argument that incrementalism legitimizes the status quo: putting power in the hands of the few does not guarantee that it will be used wisely and in the spirit of benevolent neutrality that comprehensive rationality assumes.

Incrementalism: is it a universal phenomenon?

Incrementalism was based initially on a study of US politics, so how relevant is it to policymaking as a whole? The general themes are universal because they are based on a departure from comprehensive rationality. Further, as Lindblom (1979: 520) suggests, we should not confuse the advantages of incrementalism in politics (the management of policy by consensus and the minimization of unintended consequences) with inertia in politics (made more likely by the veto points in particular political systems combined with 'timidity' and 'ideological conservatism'). In other words, we need to separate the identification of inertia and veto, which may afflict some particular systems more than others, from the concept of incrementalism that may be applicable to all systems (compare with the discussion of policy styles in Chapter 4).

Commentators in the federal US, with a formal separation and devolution of powers, often refer to the UK's centralization of power as a source of much needed policy change (compare with Box 5.3). Hayes (2001: 2) outlines Burns' (1963) suggestion the US should be more like the UK, with: a two-party system and clear competition based on distinct manifestos, a winning party with a clear majority and therefore a legitimate mandate to introduce its policies, and a system which has more top-down levers and fewer checks and balances. In other words, the main hindrance to legitimate and swift policy change is the structure of government.

A similar rhetoric is found in 1990s discussions of Japan's political style – if Japan emulates the 'Westminster model' then it can address widespread inertia within the political system and re-establish faith in its politicians (Krauss and Pekkanen, 2004). In Italy and Germany there are fewer explicit references to Westminster, but similar criticisms of political systems which were once 'stable' but are now 'stagnating'. In Italy, 'institutionalists' pointed to the value of a consensual system of govern-

Box 5.3 The shifting image of majoritarianism

A significant irony, given the pro-Westminster rhetoric in the US and Japan, is that the opposite rhetoric was used in the 1990s to support political devolution in Scotland. A series of measures to link politics with the 'people' were devised, with the Scottish Parliament acting as a hub for new forms of engagement and a counterweight to strong central government; this new form of politics was designed to downgrade the role of political parties and reduce their ability to change policy radically in the absence of consensus. The Scottish experience was borne out of frustration with the Westminster model and the negative effect that top-down policy making had on public perceptions (McGarvey and Cairney, 2008; Jordan and Stevenson, 2000).

ment only when the country was deeply divided (in the aftermath of the Second World War and in the wake of the cold war). However, when policy conditions changed, the institutions of government did not, and a lack of party competition and choice (as a source of a mandate for significant policy change) contributed to the 'degeneration of Italian democracy' (Fabriani and Gilbert, 2000: 28). Similarly, Germany's stable political system was once considered to be an antidote to uncertain economic conditions in the rest of the world and conducive to the 'Golden Age' of post-war economic recovery. However, it now contributes to a, 'painfully slow, incremental process of political and economic change' which is ill equipped to deal with new political problems and unable to command the respect of its citizens (Kitschelt and Streeck, 2003: 2).

The common view seems to be that a majoritarian system puts power in the hands of the few and gives them more opportunity to pursue the comprehensive rationality ideal. However, an 'incrementalist view' suggests that the common theme in these countries is the attachment to unrealistic expectations about how quickly policy can change substantively within *any* political system. This leads to frustration at the lack of policy change and then disenchantment in politics and politicians. Hayes (2001: 3) draws on theories of incrementalism to suggest two constants in most mature political processes:

- 1 The necessity of bargaining and compromise between actors who have different information, different interests and conflicting views.
- 2 The need to build on past policies.

Incrementalist strategies may be used in most political systems for good reason: the identification of widespread bargaining and compromise is a sign of a mature and pluralistic process where the balance of power is not skewed towards some actors at the expense of others.

Radical change may be *worrying* since it suggests the ability of governments to ride roughshod over previous agreements. Therefore, instead of pursuing institutional reforms as a means to reinvigorate public confidence in politics, political elites should educate the public about the limits to (and problems with) radical change (Hayes, 2001: 3).

How do modern theories conceptualize bounded rationality? Is incrementalism inevitable?

The identification of bounded rationality is a fundamental part of most contemporary theories of public policy – but do they confirm Lindblom’s argument that incrementalism is the main consequence? Incrementalism is certainly one of many discussions to highlight the limits to radical policy change by comprehensively rational policymakers.

The model of *policy communities* suggests that incrementalism transcends formal political structures. Regular changes of government do not necessarily cause wholesale shifts in policy, even in the ‘majoritarian UK’. In part, this is because most policy decisions are effectively beyond the reach of ministers. The sheer size of government necessitates breaking policy down into more manageable issues involving a smaller number of interested and knowledgeable participants. Therefore, most public policy is conducted primarily through specialist policy communities which process ‘technical’ issues at a level of government not particularly visible to the public or Parliament, and with minimal ministerial involvement. These arrangements exist because there is a logic to devolving decisions and consulting with certain affected interests. Ministers rely on their officials for information and advice. For specialist issues, those officials rely on specialist organizations. Organizations trade information, advice and other resources (such as the ability to implement or ‘deliver’ a large group membership) for access to, and influence within, government. Further, the logic of this relationship holds regardless of the party of government. Therefore, we are unlikely to witness the types of radical policy shift often associated with a change of government (Richardson and Jordan, 1979; Jordan and Richardson, 1982; Jordan, 2005; Jordan and Maloney, 1997; Cairney, 2008).

Inheritance before choice in public policy extends the discussion of incrementalism to inertia (see Box 6.4 for a comparison of terms). The effect of decades of cumulative policies is that newly elected policymakers inherit a huge government with massive commitments. Most policy decisions are based on legislation which already exists and the bulk of public expenditure is spent on government activities (such as welfare benefits) that continue by routine (Rose, 1990; 1986; Rose and Davies, 1994). This theme of inertia is reinforced by *policy succession*

and *path dependence*. The size and scope of the state is such that any 'new' policy is likely to be a revision of an old one following a degree of policy failure. New policies are often pursued merely to address the problems caused by the old. Policy succession is always more likely than innovation and termination. Indeed, incrementalism may be more about dealing with the legacies of past policies than departing incrementally from them. Even policy change in incremental steps does not guarantee that change is reversible, particularly when policy builds up its own clientele and interacts with existing policies (Hogwood and Peters, 1982; 1983; Geva-May, 2004). *Path dependence* (Chapter 4) suggests that when a commitment to a policy has been established and resources devoted to it, over time it becomes increasingly costly to choose a different path; the existing path demonstrates 'increasing returns'. Our focus of analysis is the 'critical juncture' which marked the beginning of a particular path and reduced the feasibility of alternative policy choices (Pierson, 2000a).

Multi-level governance expands the theme of power diffusion raised by US pluralism. Theories of governance (Chapter 8) extend it not only to the EU (which itself developed in a rather incremental way) but also more generally to large fragmented governments which lack a powerful centre (Kooiman, 1993: 4). This theme of power diffusion is extended by studies of *implementation*. Although legislation is made at the 'top', it is influenced heavily by the street level bureaucrats who deliver it (Chapter 2). Since they are subject to an immense range of (often unclear) requirements laid down by regulations at the top, they are powerless to implement them all successfully. Instead, they establish routines and use rules of thumb to satisfy a proportion of central government objectives while preserving a sense of professional autonomy necessary to maintain morale (Lipsky, 1980). Therefore, radical policy change at the top may translate into incremental change at the bottom.

On the other hand, many contemporary theories highlight the links between bounded rationality and non-incremental change. For example, *punctuated equilibrium theory* shows that political systems produce incremental and radical change. Boundedly rational policymakers have limited resources (including time, knowledge and attention) and cannot deal with all policy problems. So they ignore most and promote a few to the top of their agenda. This lack of attention to most issues helps explain why most policies do not change dramatically, while intense periods of attention to some issues may prompt new demands for change. The nature of policy problems is always subject to interpretation and debate because it is impossible to separate facts from values. Therefore, by 'reframing' issues, policy actors can draw the attention of policymakers to new ways of looking at (and solving) old problems. When successful, this produces a process of 'positive feedback', in

which policymakers pay disproportionate attention to the issue, and a 'bandwagon effect', in which multiple actors in the policy process all pay attention to, and seek to influence, the same issue (Chapter 9; Jones, 1999, 2003; Baumgartner and Jones, 1993, 2009; Jones and Baumgartner, 2005).

Drawing on the 'garbage can' critique of comprehensive rationality (outlined above and in more detail in Box 11.4), *multiple streams analysis* suggests that radical policy change happens only when a 'window of opportunity' opens and three independent streams come together – problems, policies and politics. In most cases policy does not change radically because a policy problem does not receive enough attention, an adequate idea or solution is not available and/or policymakers are not receptive to the idea. Yet, in many cases these streams *do* come together: a new or reframed problem gains attention, a solution gains currency within the policy community and policymakers have the motive and opportunity to translate the idea into policy. The model therefore combines an overall assumption of policy continuity with a rather unpredictable process of change (Kingdon, 1984; Lieberman, 2002).

Theories of *policy diffusion* demonstrate that non-incremental change is consistent with the logic of incrementalism. Boundedly rational decision makers develop rules of thumb to provide focus to their policy analysis and make the best use of their limited resources. One such rule of thumb is policy transfer, in which one region learns from the experience of another. Diffusion studies suggest that some states merely emulate (rather than learn in detail from) others, on the assumption or brief impression that the innovating state was successful. Therefore, although bounded rationality may place limits on the ability of states to *innovate*, it may encourage most states to *emulate*. The wider *policy transfer* literature also suggests that some governments may be coerced into non-incremental policy change (Chapter 12; Berry and Berry, 2007; Dolowitz and Marsh, 2000).

Conclusion

Comprehensive rationality is used widely as an ideal type. The task is to identify its assumptions and consider the implications when these conditions are not met. Most build on the concept of bounded rationality which highlights: the inability of organizations to separate facts from values; unclear and conflicting political objectives; a non-linear decision-making process; and, an incomplete search for knowledge combined with limited resources, time and cognitive abilities. From this model of constraint we then explore what happens (description, explanation) and what should happen (prescription, normative debates).

Generally, organizations 'satisfice', or seek solutions which are 'good enough', and use rules of thumb to make the decision-making process more manageable. While Simon uses this discussion to seek improvement to the decision-making process, Lindblom extends the analysis to a political context in which policymakers bargain with other actors. They use rules of thumb such as treating high levels of agreement in the political system as an indicator of good policy. Lindblom advocates this approach because it reduces the chances of governments making big mistakes that are relatively difficult to reverse, and ensures that they do not use their resources – *including political will* – unwisely.

The argument that incrementalism does and *should* happen produced by far the most debate in the literature. To some extent it began as a US-focused debate tied up in questions about pluralism and the sources of inertia in the US political system. Yet, this chapter demonstrates that the themes are universal. The use of incrementalist strategies to address the limits to comprehensive rationality is common to *all* political systems. All political systems face the need for bargaining and compromise and to build on past policies. The big questions of political science are universal: if comprehensive rationality cannot be achieved, what happens and what should happen? Should we spread analytical resources in an attempt to cover most areas or focus those resources on the issues most likely to receive policymaker attention? How do we identify the issues to pay most attention to and which issues can be ignored as a result? Should decision-making power be centralized to foster accountability or dispersed to make better informed local decisions? How do we balance both aims?

This is a 'classic' debate, but it is still relevant to contemporary theories of public policy. Most theories adopt an understanding of bounded rationality and seek to understand its consequences. Many theories reinforce the incrementalist argument by identifying the inability of the 'centre' to control the policy process and/or the inertia effects of big government which produce policy succession or inheritance before choice. Yet, most theories now explore the relationship between an overall picture of stability and significant episodes of rapid change. Bounded rationality may generally produce incremental change, but also far-less-frequent major change. It places great limits on governments but incrementalism is not an inevitable consequence.

As Jones and Baumgartner (2005: 119) suggest, incrementalism may *seem appropriate* to policy actors who want to be able to reverse mistakes more easily, establish 'stable expectations in a complex and uncertain environment', and address the spirit of compromise, particularly in political systems such as the US which have a formal separation of powers and 'overlapping, conflicting and interacting institutions'. Yet, as Hill (2005: 152) suggests, this does not mean that governments *will* act

110 *Understanding Public Policy*

that way. Ideologically driven governments may still make radical policy choices even if their ability to produce a consistent and well-researched plan is out of reach (although whether or not these decisions are implemented is a different matter). Radical change may follow a window of opportunity, disproportionate attention to one issue at the expense of others, emulation or coercion – all of which suggest that bounded rationality should not necessarily be equated with stability, continuity or incremental change.