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Policy analysts are never mere “handmaidens to power.” It is part of their job, and a role that the best of them play well, to *advocate* the policies that they think right (Majone 1989). The job of the policy analyst is to “speak truth to power” (Wildavsky 1979), where the truths involved embrace not only the hard facts of positivist science but also the reflexive self-understandings of the community both writ large (the polity) and writ small (the policy community, the community of analysts).

It may well be that this reflexive quality is the main gift of the analyst to the practitioner. In modern government practitioners are often forced to live in an unreflective world: the very pressure of business compresses time horizons, obliterating recollection of the past and foreshortening anticipation of the future (Neustadt and May 1986). There is overwhelming pressure to decide, and then to move on to the next problem. Self-consciousness about the limits of decision, and about the setting, social and historical, of decision, is precisely what the analyst can bring to the policy table, even if its presence at the table often seems unwelcome.

Of course, reason giving has always been a central requirement of policy application, enforced by administrative law. Courts automatically overrule administrative orders accompanied by no reasons. So, too, will their “rationality review” strike down statutes which cannot be shown to serve a legitimate purpose within the power of the state (Fried 2004, 208–12). The great insight of the argumentative turn in policy analysis is that a robust process of reason giving runs throughout all stages of public policy. It is not just a matter of legislative and administrative window dressing.

Frank and fearless advice is not always welcomed by those in positions of power. All organizations find self-evaluation hard, and states find it particularly hard: there is a long and well-documented history of states, democratic and non-democratic, ignoring or even punishing the conveyor of unwelcome truths (Van Evera 2003). Established administrative structures that used to be designed to generate dispassionate advice are increasingly undermined with the politicization of science and the public service (UCS 2004; Peters and Pierre 2004). Still, insofar as policy analysis constitutes a profession with an ethos of its own, the aspiration to “speak truth to power”—even, or especially, unwelcome truths—must be its prime directive, its equivalent of the Hippocratic Oath (ASPA 1984).

2. ARGUING VERSUS BARGAINING

Our argument thus far involves modest claims for the “persuasion” of policy studies, but even these modest ambitions carry their own hubristic dangers. Persuasion; the encouragement of a reflexive, self-conscious policy culture; an attention to the language used to communicate with the world of policy action: all are important. But all run the risk of losing sight of a fundamental truth—that policy is not only

about arguing, but is also about bargaining. A policy forum is not an academic seminar. The danger is that we replicate the fallacy of a tradition which we began by rejecting.

Policy analysts, particularly those who see themselves as part of a distinct high modernist professional cadre, often take a technocratic approach to their work. They see themselves as possessing a neutral expertise to be put to the service of any political master. They accept that their role as adviser is to advise, not to choose; and they understand that it is in the nature of advice that it is not always taken. Accepting all this as they do, policy advisers of this more professional, technocratic cast of mind inevitably feel certain pangs of regret when good advice is overridden for bad (“purely political”) reasons.

Politics may rightly seem disreputable when it is purely a matter of power in the service of interests. When there is nothing more to be said on behalf of the outcome than that people who prefer it have power enough to force it, one might fatalistically accept that outcome as politically inevitable without supposing that there is anything at all to be said for it normatively. Certainly there is not much to be said for it normatively, anyway, without saying lots more about why the satisfaction of those preferences is objectively desirable or why that distribution of power is proper.

Nor is this account necessarily incompatible with some conception of democratic policy making. Indeed some democratic theorists try to supply the needed normative glue by analogizing political competition to the economic market. The two fundamental theorems of welfare economics prove Adam Smith’s early speculation that, at least under certain (pretty unrealistic) conditions, free competition in the marketplace for goods would produce maximum possible satisfaction of people’s preferences (Arrow and Hahn 1971). Democratic theorists after the fashion of Schumpeter (1950) say the same about free competition in the political marketplace for ideas and public policies (Coase 1974). “Partisan mutual adjustment”—between parties, between bureaucracies, between social partners—can, bargaining theorists of politics and public administration assure us, produce socially optimal results (Lindblom 1965).

Of course there are myriad assumptions required for the proofs to go through, and they are met even less often in politics than economics. (Just think of the assumption of “costless entry of new suppliers:” a heroic enough assumption for producers in economic markets, but a fantastically heroic one as applied to new parties in political markets, especially in a world of “cartelized” party markets (Katz and Mair 1995).) Most importantly, though, the proofs only demonstrate that preferences are maximally satisfied in the Pareto sense: no one can be made better off without someone else being made worse off. Some are inevitably more satisfied than others, and who is most satisfied depends on who has most clout—money in the economic market, or political power in the policy arena. So the classic “proof” of the normative legitimacy of political bargaining is still lacking one crucial leg, which would have to be some justification for the distribution of power that determines “who benefits” (Page 1983). The early policy scientists clearly knew as much, recalling Lasswell’s (1950) definition of “politics” in terms of “who gets what, when, how?”

The success of that enterprise looks even more unlikely when reflecting, as observers of public policy inevitably must, on the interplay between politics and markets (Lindblom 1977; Dahl 1985). The point of politics is to constrain markets: if markets operated perfectly (according to internal economic criteria, and broader social ones), we would let all social relations be determined by them alone. It is only because markets fail in one or the other of those ways, or because they fail to provide the preconditions for their own success, that we need politics at all (Hirsch 1976; Offe 1984; Esping-Andersen 1985; World Bank 1997). But if politics is to provide these necessary conditions for markets, politics must be independent of markets—whereas the interplay of “political money” and the rules of property in most democracies means that politics is, to a large extent, the captive of markets (Lindblom 1977).

Tainted though the processes of representative democracy might be by political money, they nonetheless remain the principal mechanism of public accountability for the exercise of public power. Accountability through economic markets and informal networks can usefully supplement the political accountability of elected officials to the electorate; but can never replace it (Day and Klein 1987; Goodin 2003).

Another strand of democratic theory has recently emerged, reacting against the bargaining model that sees politics as simply the vector sum of political forces and the aggregation of votes. It is a strand which is easier to reconcile with the “persuasive” character of policy studies. Deliberative democrats invite us to reflect together on our preferences and what policies might best promote the preferences that we reflectively endorse (Dryzek 2000). There are many arenas in which this might take place. Those range from small-scale forums (such as “citizen’s juries,” “consensus conferences,” or “Deliberative Polls” involving between 20 and 200 citizens) through medium-sized associations (Fung and Wright 2001). Ackerman and Fishkin (2004) even make a proposal for a nationwide “Deliberation Day” before every national election.

Not only might certain features of national legislature make that a more “deliberative” assembly, more in line with the requirements of deliberative democracy (Steiner et al. 2005). And not only are certain features of political culture—traditions of free speech and civic engagement—more conducive to deliberative democracy (Sunstein 1993, 2001; Putnam 1993). Policy itself might be made in a more “deliberative” way, by those charged with the task of developing and implementing policy proposals (Fischer 2003). That is the aim of advocates of critical policy studies, with their multifarious proposals for introducing a “deliberative turn” into the making of policies on everything from water use to urban renewal to toxic waste (Hajer and Wagenaar 2003).

Some might say that this deliberative turn marks a shift from reason to rhetoric in policy discourse. And in a way, advocates of that turn might embrace the description, for part of the insight of the deliberative turn is that reason is inseparable from the *way* we reason: rhetoric is not decoration but is always ingrained in the intellectual content of argument. Certainly they mean to disempower the dogmatic deliverances of technocratic reason, and to make space in the policy-making arena for softer and less hard-edged modes of communication and assessment (Young 2000; Fischer 2003). Reframing the problem is, from this perspective, a legitimate part of the process: it is important to see that the problem looks different from different

perspectives, and that different people quite reasonably bring different perspectives to bear (March 1972; Schön and Rein 1994; Allison and Zelikow 1999). Value clarification, and re-envisioning our interests (personal and public), is to be seen as a legitimate and valued outcome of political discussions, rather than as an awkwardness that gets in the way of technocratic fitting of means to pre-given ends. Thus the deliberative turn echoes one of the key features of the “persuasive” conception of policy studies with which we began: reflexivity is—or should be—at the heart of both advice and decision.

These conceptions, true, are easier to realize in some settings than in others. The place, the institutional site, and the time, all matter. National traditions clearly differ in their receptivity to deliberation and argument. The more consultative polities of Scandinavia and continental Europe have always favoured more consensual modes of policy making, compared to the majoritarian polities of the Anglo-American world (Lijphart 1999). Votes are taken, in the end. But the process of policy development and implementation proceeds more according to procedures of “sounding out” stakeholders and interested parties, rather than majorities pressing things to a vote prematurely (Olsen 1972*b*). Of course, every democratic polity worth the name has some mechanisms for obtaining public input into the policy-making process: letters to Congressmen and congressional hearings, in the USA; Royal Commissions and Green Papers in the UK; and so on. But those seem to be pale shadows of the Scandinavian “remiss” procedures, inviting comment on important policy initiatives and actually taking the feedback seriously, even when it does not necessarily come from powerful political interests capable of blocking the legislation or derailing its implementation (Meijer 1969; Anton 1980).

Sites of governance matter, as well. The high modernist vision was very much one of top-down government: policies were to be handed down not just from superiors to subordinates down the chain of command, but also from the governing centre to the governed peripheries. New, and arguably more democratic, possibilities emerge when looking at governing as a bottom-up process (Tilly 1999). The city or neighborhood suddenly becomes the interesting locus of decision making, rather than the national legislature. Attempts to increase democratic participation in local decision making have not met with uniform success, not least because of resistance from politicians nearer the center of power: the resistance of mayors was a major hindrance to the “community action programs” launched as part of the American War on Poverty, for example (Marris and Rein 1982). Still, many of the most encouraging examples of new deliberative processes working to democratize the existing political order operate at very local levels, in local schools or police stations (Fung 2004).

Meshing policy advice and policy decision with deliberation is therefore easier in some nations, and at some levels of government, than others. It also seems easier at some historical moments than others: thus, time matters. Until about a quarter-century ago, for example, policy making in Britain was highly consensual, based on extensive deliberation about policy options, albeit usually with a relatively narrow range of privileged interests. Indeed, the very necessity of creating accommodation was held to be a source of weakness in the policy process (Dyson

1980; Dyson and Wilks 1983). Since then the system has shifted drastically away from a deliberative, accommodative mode. Many of the characteristic mechanisms associated with consultation and argument—such as Royal Commissions—are neglected; policy is made through tiny, often informally organized cliques in the core executive.

The shift is partly explicable by the great sense of crisis which engulfed British policy makers at the end of the 1970s, and by the conviction that crisis demanded decisive action free from the encumbrances of debates with special interests. The notion that crisis demands decision, not debate, recurs in many different times and places. Indeed “making a crisis out of a drama” is a familiar rhetorical move when decision makers want a free hand. Yet here is the paradox of crisis: critical moments are precisely those when the need is greatest to learn how to make better decisions; yet the construction of crisis as a moment when speed of decision is of the essence precisely makes it the moment when those advocating persuasion and reflexivity are likely to be turned away from the policy table.

All is not gloom even here, however. The analysis of crises—exactly, particular critical events—can be a powerful aid to institutional learning (March, Sproull, and Tamuz 1991). Moreover, there are always multiple “tables”—multiple forums—in which policies are argued out and bargained over. “Jurisdiction shopping” is a familiar complaint, as lawyers look for sympathetic courts to which to bring their cases and polluting industries look for lax regulatory regimes in which to locate. But policy activists face the same suite of choices. Policies are debated, and indeed made, in many different forums. Each operates according to a different set of rules, with a different agenda, and on different timelines; each responds to different sets of pressures and urgencies; each has its own norms, language, and professional ethos. So when you cannot get satisfaction in one place, the best advice for a policy activist is to go knocking on some other door (Keck and Sikkink 1998; Risse, Ropp, and Sikkink 1999).

Place, site, and moment often obstruct the “persuasive” practice of the vocation of policy studies. Yet, as we show in the next section, there is overwhelming evidence of powerful structural and institutional forces that are dragging policy makers in a deliberative direction. These powerful forces are encompassed in accounts of networked governance.

3. NETWORKED GOVERNANCE

Policy making in the modern state commonly exhibits a contradictory character. Under the press of daily demands for action, often constructed as “crises,” decision makers feel the need to act without delay. Yet powerful forces are pushing systems increasingly in more decentralized and persuasion-based directions.

Of course, even in notionally rigid high modernist hierarchies, the “command theory” of control was never wholly valid. “Orders backed by threats” were never a good way to get things done, in an organization any more than in governing a country. Complex organizations can never be run by coercion alone (Etzioni 1965). An effective authority structure, just like an effective legal system, presupposes that the people operating within it themselves internalize the rules it lays down and critically evaluate their own conduct according to its precepts (Hart 1961). That is true even of the most nominally bureaucratic environments: for instance, Hecló and Wildavsky (1974) characterize the relations among politicians and public officials in the taxing and spending departments of British government as a “village community” full of informal norms and negotiated meanings: an anthropologically “private” way of governing public money.

Thus there have always been limits to command. But the argument that, increasingly, government is giving way to “governance” suggests something more interesting, and something peculiarly relevant to our “persuasive” conception of policy studies: that governing is less and less a matter of ruling through hierarchical authority structures, and more and more a matter of negotiating through a decentralized series of floating alliances. The dominant image is that of “networked governance” (Hecló 1978; Rhodes 1997; Castels 2000). Some actors are more central, others more peripheral, in those networks. But even those actors at the central nodes of networks are not in a position to dictate to the others. Broad cooperation from a great many effectively independent actors is required in order for any of them to accomplish their goals.

To some extent, that has always been the deeper reality underlying constitutional fictions suggesting otherwise. Formally, the Queen in Parliament may be all powerful and may in Dicey’s phrase, “make or unmake any law whatsoever” (Dicey 1960/1885, 39–40). Nonetheless, firm albeit informal constitutional conventions mean there are myriad things that she simply may not do and retain any serious expectation of retaining her royal prerogatives (unlike, apparently, her representative in other parts of her realm) (Marshall 1984). Formally, Britain was long a unitary state and local governments were utterly creatures of the central state; but even in the days of parliamentary triumphalism the political realities were such that the center had to bargain with local governments rather than simply dictate to them, even on purely financial matters (Rhodes 1988).

But increasingly such realities are looming larger and the fictions even smaller. Policy increasingly depends on what economists call “relational contracts:” an agreement to agree, a settled intention to “work together on this,” with details left to be specified sometime later (Gibson and Goodin 1999). Some fear a “joint decision trap,” in circumstances where there are too many veto players (Scharpf 1988). But Gunnar Myrdal’s (1955, 8, 20) description of the workings of the early days of the Economic Commission for Europe is increasingly true not just of intergovernmental negotiations but intragovernmental ones as well:

If an organization acquires a certain stability and settles down to a tradition of work, one implication is usually that on the whole the same state officials come together at

regular intervals. If in addition it becomes repeatedly utilized for reaching inter governmental agreements in a given field, it may acquire a certain institutional weight and a momentum. Certain substitutes for real political sanctions can then gradually be built up. They are all informal and frail. They assume a commonly shared appreciation of the general usefulness of earlier results reached, the similarly shared pride of, and solidarity towards, the “club” of participants at the meetings, and a considerable influence of the civil servants on the home governments in the particular kind of questions dealt with in the organizations. . . . Not upholding an agreement is something like a breach of etiquette in a club.

And so it has gone in the later life of the European Community, and now the European Union (Héritier 1999).⁷

Within these networks, none is in command. Bringing others along, preserving the relationship, is all. Persuasion is the way policy gets made, certainly in any literal “institutional void” (Hajer 2003) but even within real institutions, where authority is typically more fictive than real (Hecló and Wildavsky 1974).

If this is bad news for titular heads of notionally policy-making organizations, it is good news for the otherwise disenfranchised. The history of recent successes in protecting human rights internationally is a case in point. Advocacy coalitions are assembled, linking groups of powerless Nigerians whose rights are being abused by the Nigerian government with groups of human rights activists abroad, who bring pressure to bear on their home governments to bring pressure to bear in turn on Nigeria (Risse, Ropp, and Sikkink 1999; Keck and Sikkink 1998). Networking across state borders, as well as across communities and affected interests within state borders, can be an important “weapon of the weak” (Scott 1985).

The change has invaded areas hitherto thought of as the heartland of hierarchy and of authoritative decision by the rich and powerful.

Bureaucratic organizations, paradigms of Weberian hierarchy, are yielding to “soft bureaucracy” (Courpasson 2000). And in the world of globally organized business, Braithwaite and Drahos (2000) paint a picture of a decentered world, where networks of bewildering complexity produce regulation often without the formality of any precise moment of decision.

The rise of networked governance in turn accounts for a related turn that is central to the practice of the “persuasive” vocation: the self-conscious turn to government as steering.

⁷ For example, “it is rare in [European] Community environmental policy for negotiations to fail. . . . An important factor seems to be the dynamics of long lasting negotiations: i.e., the ‘entanglement’ of the negotiations which ultimately exerts such pressure on the representatives of dissenters (especially where there is only one dissenting state) that a compromise can be reached. . . . [O]n the whole, no member state is willing to assume the responsibility for causing the failure of negotiations that have lasted for years and in which mutual trust in the willingness of all negotiators to contribute to an agreement has been built up” (Rehbinder and Stewart 1985, 265).

4. ROWING VERSUS STEERING

High modernist models of policy making were, first and foremost, models of central control. On those models, policy makers were supposed to decide what should be done to promote the public good, and then to make it happen.

This ambition became increasingly implausible as problems to which policy was addressed became (or came to be recognized as) increasingly complex. Despite brave talk of ways of “organizing social complexity” (Deutsch 1963; La Porte 1975), a sense soon set in that government was “overloaded” and society was politically ungovernable (King 1975; Crozier, Huntington, and Watanuki 1975). Despite the aspiration of constantly improving social conditions, producing generally good outcomes for people without fail, a sense emerged that society is now characterized by increasingly pervasive risks, both individually and collectively (Beck 1992).

Even when policy makers thought they had a firm grip on the levers of power at the center, however, they long feared that they had much less of a grip on those responsible for implementing their policies on the ground. “Street-level bureaucrats”—police, caseworkers in social service agencies, and such like—inevitably apply official policies in ways and places at some distance from close scrutiny by superiors (Lipsky 1980). Substantial *de facto* discretion inevitably follows, however tightly rule bound their actions are formally supposed to be. But it is not just bureaucrats literally on the streets who enjoy such discretion. Organization theorists have developed the general concept of “control loss” to describe the way in which the top boss’s power to control subordinates slips away the further down the chain of command the subordinate is (Blau 1963; Deutsch 1963). It can never be taken for granted that policies will be implemented on the ground as intended: usually they will not (Pressman and Wildavsky 1973; Bardach 1977, 1980).

One early response to appreciation of problems of control loss within a system of public management was to abandon “command-and-control” mechanisms for evoking compliance with public policies, in favor of a system of “incentives” (Kneese and Schultze 1975; Schultze 1977). The thought was that, if you structure the incentives correctly, people will thereby have a reason for doing what you want them to do, without further intrusive intervention from public officials in the day-to-day management of their affairs. This thinking persisted into the 1980s and 1990s: it lay, for instance, behind the mania for “internal markets” in so many of the state-funded health care systems of Europe (Le Grand 1991; Saltman and von Otter 1992). The trick, of course, lies in setting the incentives just right. Allowing the Nuclear Regulatory Commission to fine unsafe nuclear power plants only \$5,000 a day for unsafe practices, when it would cost the power company \$300,000 a day to purchase substitute power off the grid, is hardly a deterrent (US Comptroller General 1979).

Appreciation of the incapacity of the center to exercise effective control over what happens on the ground through command and control within a hierarchy has also led to increasing “contracting out” of public services, public–private partnerships,

and arm's-length government (Smith and Lipsky 1993; Commission on Public-Private Partnerships 2001). The image typically evoked here is one of "steering, not rowing" (Kaufmann, Majone, and Ostrom 1985; Bovens 1990).

Twin thoughts motivate this development. The first is that, by divesting themselves of responsibility for front-line service delivery, the policy units of government will be in a better position to focus on strategic policy choice (Osborne and Gaebler 1993; Gore 1993). The second thought is that by stipulating "performance standards" in the terms of contract, and monitoring compliance with them, public servants will be better able to ensure that public services are properly delivered than they would have been had those services been provided within the public sector itself.

This is hardly the first time such a thing has happened. In the early history of the modern state, under arrangements that have come to be called "tax farming," rulers used to subcontract tax collections to local nobles, with historically very mixed success. Fix the incentives as the prince tried, the nobles always seemed to be able to figure out some way of diddling the crown (Levi 1988). Those committed to steering, by monitoring others' rowing, would like to think they have learned how better to specify and monitor contract compliance. But so too has every prince's new adviser.

The history of "steering and rowing" crystallizes the contradictory character of the modern "governance" state, and illuminates also the complex relations between "governance" and the conception of policy studies as a persuasive vocation. On the one hand, powerful, well-documented forces are pushing policy systems in the direction of deliberation, consultation, and accommodation. "High modernism" is accompanied by high complexity, which requires high doses of voluntary coordination. And high modernism has also helped create smart people who cannot simply be ordered around: rising levels of formal education, notably sharp rises in participation in higher education, have created large social groups with the inclination, and the intellectual resources, to demand a say in policy making. These are some of the social developments that lie behind the spread of loosely networked advocacy coalitions of the kind noted above.

Modern steering may therefore be conceived as demanding a more democratic mode of statecraft—one where the practice of the persuasive vocation of policy studies is peculiarly important. But as we have also just seen, "steering" can have a less democratic face. It echoes the ambitions of princes, and a world of centralized scrutiny and monitoring prefigured in Bentham's (1787) Panopticon. The earliest images of the steering state, in Plato's *Republic*, are indeed avowedly authoritarian; and the greatest "helmsman" of the modern era was also one of its most brutal autocrats, Mao Zedong.

As the language of "steering" therefore shows, the legacy of "networked governance" is mixed, indeed contradictory, inscribed with both autocracy and democracy. This helps explain much of the fixation of the new public management on monitoring and control.

For all the borrowing that new public management, with its privatization and outsourcing, has done from economics, the one bit of economics it seems steadfastly

to ignore is the one bit that ought presumably to have most relevance to the state as an organized enterprise: the economic theory of the firm (Simon 2000).

Two key works emphasize the point. One is Ronald Coase's (1937) early analysis of why to internalize production within the same firm, rather than just buying the components required from other producers on the open market—the “produce/buy decision.” The answer is obvious as soon as the question is asked. You want to internalize production within the firm if, but only if, you have more confidence in your capacity to monitor and control the quality of the inputs into the production process than the quality of the outputs (the components you would alternatively have to buy on the open market). You produce in-house only when you are relatively unconfident of your capacity to monitor the quality of the goods that external producers supply to you.

One implication of this analysis for contracting out of public services to private organizations is plain: for the same reason that a private *organization* is formed to provide the service, the public should be hesitant to contract to them. For the same reason the private organization does not buy in the outputs it promises to supply, preferring to produce them in-house, so too should the public organization: contracts are inevitably incomplete, performance standards underspecified, and the room for maximizing private profits at the cost of the public purposes is too great. Indeed this problem of what may summarily be called “opportunism” lies at the heart of the way the new institutional economics addresses the firm (Williamson 1985, 29–32, 281–5). There then follows another obvious implication: if we do contract out public services, it is better to contract them out to non-profit suppliers who are known to share the goals that the public had in establishing the program than it is to contract them out to for-profit suppliers whose interests clearly diverge from the public purposes (Smith and Lipsky 1993; Rose-Ackerman 1996; Goodin 2003).

The second contribution to the theory of the firm that ought to bear on current practices of outsourcing and privatizing public services is Herbert Simon's (1951) analysis of the “employment relationship.” The key to that, too, is the notion of “incomplete contracting.” The reason we hire someone as an employee of our firm is that we cannot specify, in detail in advance, exactly what performances will be required. If we could, we would subcontract the services: but not knowing exactly what we want, we cannot write the relevant performance contract. Instead we write an employment contract, of the general form that says: “The employee will do whatever the employer says.” Rudely, it is a slavery contract (suitably circumscribed by labour law); politely, it is a “relational contract,” an agreement to stand in a relationship the precise terms of which will be specified later (Williamson 1985). Indeed as North points out, there are even elements of the relational in the master–slave relationship (1990, 32). But the basic point, once again, is that we cannot specify in advance what is wanted: and insofar as we cannot, that makes a powerful case for producing in-house rather than contracting out. And that is as true for public organizations as private, and once again equally for public organizations contracting with private *organizations*. For the same reasons that the private contractors employ people at all, for those very same reasons the state ought not to subcontract to those private suppliers.

The more general way in which these insights have been picked up among policy makers is in the slogan, “privatization entails regulation.” A naive reading of the “downsizing government” program of Reagan and Thatcher and their copyists worldwide might lead one to suppose that it would have resulted in “less government:” specifically, among other things, “less regulation” (after all, “deregulation” was one of its first aims). But in truth privatization, outsourcing, and the like actually requires more regulation, not less (Majone 1994; Moran 2003). At a minimum, it requires detailed specification of the terms of the contract and careful monitoring of contract compliance. Thus, we should not be surprised that the sheer number of regulations emanating from privatized polities is an order of magnitude larger (Levi-Faur 2003; Moran 2003).

The paradoxes of privatization and regulation thus just bring us back to the beginning of the growth of government in the nineteenth century. That came as a pragmatic response to practical circumstances, if anything against the ideological current of the day. No political forces were pressing for an expansion of government, particularly. It was just a matter of one disaster after another making obvious the need, across a range of sectors, for tighter public regulation and an inspectorate to enforce it (MacDonagh 1958, 1961; Atiyah 1979). Over the course of the next century, some of those sectors were taken into public hands, only then to be reprivatized. It should come as no surprise, however, that the same sort of regulatory control should be needed over those activities, once reprivatized, as proved necessary before they had been nationalized. There was a “pattern” to government growth identified by MacDonagh (1958, 1961); and there is likely a pattern of regulatory growth under privatization.

5. POLICY, PRACTICE, AND PERSUASION

To do something “as a matter of policy” is to do it as a general rule. That is the distinction between “policy” and “administration” (Wilson 1887), between “legislating” policy and “executing” it (Locke 1690, ch. 12). Policy makers of the most ambitious sort aspire to “make policy” in that general rule-setting way, envisioning administrators applying those general rules to particular cases in a minimally discretionary fashion (Calvert, McCubbins, and Weingast 1989). That and cognate aspirations toward taut control from the center combine to constitute a central trope of political high modernism

One aspect of that is the aspiration, or rather illusion, of total central control. All the great management tools of the last century were marshaled in support of that project: linear programming, operations research, cost–benefit analysis, management by objectives, case-controlled random experiments, and so on (Rivlin 1971; Self 1975; Stokey and Zeckhauser 1978).