Why Reforms So Often Disappoint

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A paper prepared for presentation at the 22nd World Congress of the International Political Science Association, Madrid, Spain, July 8-12, 2012.
Abstract

This paper examines why major reforms so often disappoint. It starts with an explication and analysis of three perspectives for understanding why reforms often do not work out as hoped – rational comprehensive decision making, garbage can decision making, and a modified version of the garbage can widely identified with the work of John Kingdon. We first present these perspectives in a general way and then discuss how we can understand features of two central aspects of reforms based on these perspectives – the processes leading up to decisions on reforms and reform implementation processes. Some brief case studies are presented in order to illustrate some of the problems laid out in the theoretical part of the paper. We conclude that non-incremental reform is vulnerable at every stage from conception through to implementation and that, while reforms are certainly not always doomed to failure, they are not often great candidates for success either.
Prologue

The last few decades have seen an explosion of major reform proposals and significant modification in government norms, structures and behavior (Pollitt and Bouckaert 2011). Public Administration scholars have been especially busy analyzing, evaluating and even proposing reforms. But the results have not been especially pleasing. Arguments range from opposition to the definition of problems, to skepticism about proposed solutions, and to disillusionment with implementation. Yet on the process goes. Here we attempt to synthesize the literature to example problem and solution definition and problems of implementation. We then look at a few cases to illustrate what we have discussed. We conclude with a discussion of why the situation looks the way it does and why public administration scholars continue their love affair with reforms and reform evaluation.

We generally think of reforms as addressed to problems that require solutions. Something is wrong and we want to fix it. Or something might be functional, but after careful examination we know that it could be much better designed or implemented. We want as much information as we can get and we want to be confident that, after careful analysis, that is, what Dahl and Lindblom (1953) labeled “rational calculation,” we can actually solve the problem, or successfully redesign a system, or implement our policies more successfully (and that we have good criteria for telling us whether or not we have succeeded).

Three perspectives are used to understand why reforms so often disappoint – a rational comprehensive decision mode, a garbage can mode of decision-making and a modified garbage can mode of decision-making (Aberbach and Christensen 2011; Cohen, March and Olsen 1972; Kingdon 1984; March and Olsen 1983). We will first present these perspectives in a general way, then discuss how we can understand features of two central aspects of the reforms based on these perspectives – the processes leading up to decisions on reform and the reform implementation processes – and then use the perspectives for analyzing a few reform cases from the US and Norway. The cases are illustrative, meant to convey some of the flavor and texture of attempts to make major reforms. For the reasons laid out in the next section (three perspectives), we believe the cases are more typical than atypical, but the paper is meant more to tackle a difficult and important set of theoretical problems related to reform than to provide definitive evidence for our argument.

The Three Perspectives

**Rational-Comprehensive Mode of Decision-Making**

The rational-comprehensive approach is the one that we all think of intuitively when we consider problem solving. The problem is clear and the goal is clear (our preferences are clear and we know that we want to solve the problem). We then examine the alternative ways to get where we want to go and select the most rational, i.e., the most efficient, alternative for reaching the goal.

The perspective comes in two main varieties. One is the ‘economic man’ version of full rationality, which is often argued to be the basis of modern public administration reforms like
New Public Management (March 1994; Self 2000). Actors have full information about alternatives and effects and make optimal decisions. Boston et al. (1996) show, for example, that the extreme reforms in New Zealand in the early 1980s were inspired by what they label ‘neo-institutional economic theory’ which contains theories like rational/public choice, principal-agent theory and transaction cost theory. The other variety, the ‘administrative man’ type of theory, is inspired by the works by Simon (1958) about bounded rationality. We will focus more on the latter version, which puts greater emphasis on the influence of formal structure and the organization of decision-making processes in public organizations, not to mention the constraints that political and administrative actors have when handling reforms.

The basic take on public decision-making and reforms from this perspective is that leaders, whether political or administrative, are the most important actors (March and Olsen 1983). They are supposed to have relatively unambiguous goals, intentions and problem/solutions definitions; they know how to organize and control the reform and implementation processes; and they basically is getting the effects or consequences that they expect. Formulated in the classical concepts of Dahl and Lindblom (1953), they score relatively high on social/political control and rational calculation. Accordingly, one can understand why reforms fail based on analysis of deviations from this ideal.

One may further differentiate the perspective and say that decision-making and reform processes, given the importance of leaders, have two distinct but often interacting features – hierarchical features and negotiation-related features (Christensen et al. 2007). The hierarchical features stress that the leaders who decide or have influence are few, and that there are closed and ‘exclusive’ processes and tight control (March and Olsen 1983), while the negotiation features focus on heterogeneity among leaders, control problems and tensions, and on the legitimacy of wider participation (Cyert and March 1963, Mosher 1967).

**The Garbage Can Mode of Decision-Making**

In what might be called the “classic” garbage can, goals are not precisely defined (they are discovered through action), technology is unclear (trial and error is the way to proceed) and there is fluid participation in decision-making (participants drift in and out). The final product is a quite unpredictable coupling of problems looking for solutions and solutions looking for problems, problems and solutions that are added and removed from the agenda, and actors coming and going to decision situations that also are fluid. All this yields decisions that are therefore difficult to understand and explain (Cohen, March and Olsen 1972).

Some basic factors lead to such features. One is that actors, like political and administrative leaders, have capacity or attention problems, leading them to be part-time participants, that is, they must divide their attention and resources between many processes either at the same time or in a sequence (March 1994). Another factor is that decision situations, situations where decisions are supposed to be made -- may imply ambiguous stimuli, that is, it’s not entirely clear what they are all about (March and Olsen 1976). One element concerns problems in defining the situation; another is that decision situations are also situations where broader social roles are enacted, where the formal decisions to be made are only part of the picture. This is seen, for example, in the mechanism of ‘superstitious learning’, where the actors
may divide the world into ‘us and them’, and which then influences processes and decisions, or where the actors put too much emphasis on determinism (the TINA principle – ‘there is no alternative’). This means that garbage can processes are often characterized by the use of symbols; to indicate what can be labeled meaning-making or sense-making, that is, actors try to define processes in a wider way (March and Olsen 1989; Weick 1995).

**Modified Garbage Can Mode of Decision-Making**

John Kingdon’s excellent book (*Agendas, Alternatives, and Public Policies*, 1984) presented a modified version of the garbage can and applied it to agenda setting and decision-making in a variety of areas. Kingdon retained the framework of problems looking for solutions and solutions looking for problems, but added the role of policy entrepreneurs and windows of opportunity. This added more structure and instrumentality to the conception of the process and increased one’s ability to predict outcomes.

As noted in an article we wrote:

For Kingdon, as for more classic garbage can theorists, governments are organized anarchies, but Kingdon puts a greater emphasis on the organized part of the formulation. Solutions look for problems in Kingdon’s model (and problems for solutions), but they do so in a context where politics and political opportunities have a huge influence on the process. The three “streams” as he calls them — problems, solutions and politics — operate independently, but significant changes are most likely when all three streams join…. (Aberbach and Christensen, 2001: 413-14).

It is important to point out two aspects related to this perspective. First is its temporal or contextual nature, that is, there are many preconditions or contexts that have to be combined in a dynamic way to ‘open a window of opportunity’ and eventually to keep it open for some time. Second, Kingdon’s argument alludes to a more culturally inspired theory, where traditions and historical trajectories may be punctuated through critical junctures and shocks (Baumgartner and Jones 1993, Selznick 1957), leading to a new path, something that for, example, was very typical of the reforms in New Zealand (Gregory 2003).

A more elaborated version of this, where rational and cultural thinking are combined, is found in the works of Kathleen Thelen. Streeck and Thelen (2005:9) make a distinction between the change process, which can be both incremental and abrupt, and the result of the change process, which can represent either continuity or discontinuity. This yields four possible combinations of process and result: ‘reproduction by adaptation’, which is a combination of incremental process and continuity in result (this is connected to Pierson’s (2004) reasoning of ‘increasing returns’); ‘breakdown and replacement’, which is a combination of abrupt change and discontinuity of result; ‘survival and return’, which combines abrupt change and continuity, i.e. after a period of conflict and upheaval the system reverts to its roots; and finally, ‘gradual transformation’, which couples incremental change and discontinuity, meaning that major transformations may result from many small and seemingly insignificant changes, whether as the result of a cumulative process or of partly parallel processes.
Features of Reform Processes

Some reforms, often the more narrow ones, will succeed, of course (Pollitt and Bouckaert 2011). Here, however, we will focus on the potential factors – based in the three perspectives outlined – that help explain why reforms so often fail or disappoint. We will focus on two major parts of the reform processes, the process leading up to a decision on a reform and the implementation process related to reforms.

The Process Leading Up to a Decision about a Reform – Rational Calculation and Control

*Rational calculation*: One would think that significant reforms are meant to answer a pressing societal or political question, but, to understate the situation, that is not always the case. Reforms may come about because of imitation, stylishness, or a desire to undermine an existing interest or opponent or to benefit one’s own group or supporters (Brunsson and Olsen 1993). These are all situations that are only rarely compatible with explanations based on a rational-comprehensive perspective, and indeed usually contribute to undermining a reform. They are more typically compatible with a garbage can explanation, where the process often features solutions before problems as well as symbols and social motives only loosely coupled to the nominal problem being solved. The same holds true for a modified garbage can perspective, where the same feature of solutions before problems often holds and imitation and the use of symbols are frequently necessary to take advantage of ‘a window of opportunity’.

What are the criteria for saying something is a real problem as a basis for public reforms? Should the problem involve a lot of resources/money, influence a lot of people, be felt as a problem by many, or perhaps be defined in a special unambiguous way? It is important to address the question of whether a problem is meant to be collective or selective (March and Olsen 1989). If it is collectively oriented, it is per definition probably complex, significant and far-reaching, and can be seen in different ways. If it’s selective, the probability of having actors who don’t agree it’s a real problem will increase and so will the level of conflict, and probably also the chances of some actors trying to formulate it in a more collective way, using mainly symbols, increases. Seen from a rational-comprehensive perspective, the top political-administrative leadership has a main obligation of focusing on collective problems, but those are often modified by processes of negotiation where there will be compromises between different selective interests, something that can also result in garbage can features. It is commonly said by garbage can theorists that too much of an individual (or group) rationality focus will lead to organizational or collective irrationality (for example, March and Olsen 1976).

Another take on this would be to ask what kind of problem one is addressing, which could influence how clearly it may be defined. Problems may be related to process, meaning for example how citizens or consumers are treated by public authorities. Problems are also content- or policy-related, meaning that laws and rules may need to be changed. Problems can also be related to structure, meaning that a reorganization is needed, both of the formal and physical structure. Or problems could be related to demography or to the competence of the public employees. The more complex and hybrid the problems are, or the more ‘wicked’ the issues are, the more potential there is for difficulties with rational calculation, partly because issues are
multi-sectoral and multi-level (Christensen and Lægreid 2007). This again may lead to greater use of symbols as a substitute for rational calculation.

We must also be open to the possibility that problems are solution-driven. As Cohen, March and Olsen (1972) emphasize in their garbage can theory, solutions come first and actors may try to connect one or more problems to the solution(s) already there. This deviates from a main premise in the rational-comprehensive perspective. It does, however, potentially save resources, since less effort is used in problem analysis and planning. It can also be argued that imitation of a reform or reform element that has been a success in another country or organization is perfectly rational. This presupposes, however, that one believes in a ‘de-contextualizing’ argument, that is, a successful solution will fit everywhere (Røvik 2011). If, however, one believes that solutions sensitive to the structure and culture of one specific public organization or political-administrative system are necessary for success, that is, in ‘contextualized’ solutions, one could argue that in most cases solution-driven reforms are likely to fail.

The next question one can ask is whether there is a real solution to a problem in a reform process. Here the difficulties are in related areas such as analyzing a problem correctly, having an adequate theory to comprehend the problem, and designing a realistic and effective solution to the problem, all features of a rational-comprehensive model. A problem may be analyzed in different ways. A deterministic-like or ‘objective’ way would be to argue strongly that there is one way to solve a problem, that is, there is a tight connection between problem and solution, which is an argument that is more difficult to believe when problems are complex. Another way is to be more open-minded and argue that there are many ways to look at a problem and that several solutions are possible, but that the leaders, after a sounding-out process, will have to decide on one or a limited set of solutions.

A third way would be to bring a broad set of actors into the process of defining a solution to a problem so that deciding on a solution is a result of negotiations and compromise (Mosher 1967). A fourth way would be to keep more than one solution in the process, so as to be flexible concerning changing constraints and preconditions. An adequate theory to comprehend the problems could be based either in academically oriented theories, like the rational-comprehensive perspective outlined, but it could also be based in the learning political and administrative leaders experience, like learning from what they recently have done or what has been defined as a success (or eventual failure), or by learning from other actors/institutions domestically or other countries (Cyert and March 1963, Sahlin-Andersson 2001).

To design a realistic and effective solution to a problem may not be a simple and objective process, but a political and administrative process where there are a lot of disagreements and negotiations, not to mention symbolic and temporal features. If one thinks in two dimensions and two values – a limited or wide problem or solution – one could argue that the least challenge would be to design a limited solution to a limited problem, while a wide and comprehensive problem would usually imply a complex solution. But it is also possible to have a limited problem and a wide-ranging solution, as was the case with the Norwegian welfare administrative reform analyzed below, or a limited solution to a wide set of problems because, for example, of limits on resources.
It is of course thinkable that the quality of analysis is so good in public reform processes that it is quite effortless to define a problem, formulate a goal and find a solution. Normally, however, such a decision-making processes takes time, and an ideal, according to the rational-comprehensive mode, is that there are deep processes of defining the problem and goals, and that several solutions are discussed before a solution connected to the problem is decided upon. It is, however, difficult to decide what is a thorough analysis is in this respect, because the problems will vary in scope and how many actors or institutions they influence and involve.

**Political and administrative control:** After discussing aspects of rational calculation in reform processes, we now turn to elements of political and administrative control (Dahl and Lindblom 1953). One could argue that it is extremely important that the process leading up to a decision on reform is characterized by strong hierarchical control, as represented by the rational-comprehensive perspective, and that deviations from this explain the failure of reform. In what ways is this hierarchical control eventually employed? Are the political and/or administrative leaders central actors in the control process? Do the leaders directly engage themselves in the processes or do they influence through other actors and instruments? What is the significance of attention and capacity problems in leaders’ control of the process? What is the significance of the scope of the reform – are broad reforms more difficult to control than more narrow ones (Wright 1994)? Overall, many reform studies seem to indicate that leaders more often control hierarchically reform processes than that they score high on rational calculation (Christensen and Lægreid 2001, Pollitt and Bouckaert 2011). One reason for this, other than the sheer difficulty of rational calculation, is that top leaders have exclusive formal rights to participate in the decision-making processes and they often use them. But there are also many potential factors that may undermine their influence. March and Olsen (1983) show in their study of American presidents and reforms that the presidents often initiate reforms, whether structural or policy-oriented, but that after some time they lose political interest in them or have their attention diverted by more pressing political questions, resulting in either the processes losing momentum or other type of actors becoming more central in the processes.

A second important question about control of reform processes is whether political and administrative actors agree about the reform, or whether there are negotiations that are typical in the process. If there are negotiations, are they primarily about the reform process or the content of the reforms, and do they engage both internal and external stakeholders? Olsen (1988) states that negotiations in public decision-making may lead to at least three ways of deciding: one is the winning coalition takes all (or most), the other is compromise and the third is ‘quasi-solution of conflict and the sequential attention to goals’ (Cyert and March 1963), the latter meaning agreeing on disagreeing because different interests get their way at different points in time.

The dilemma for leaders, as indicated above, is to balance the need for hierarchical control, clear goals and direction with broad participation and compromises, a neat combination that potentially increases the legitimacy of solutions (Mosher 1967). This balance may be difficult to achieve, because too much hierarchical control may create conflicts and legitimacy problems, while too open a process and participation may undermine the authority of the leaders and contribute to ambiguous solutions and convoluted reforms.
The rational-comprehensive perspective may primarily be used to analyze the dilemmas of control and participation. But control can also be understood according to the two garbage can-related perspectives. One potentially important factor here is cultural compatibility (cf. Brunsson and Olsen 1993). Do leaders try to furthering reforms that build on traditional cultural norms and values in order to increase the support of the reform, or do they, on purpose, try to break with the past (Boin and Christensen 2008)? If there is cultural resistance to the reform, is this based primarily on the way the reform process was organized and/or the content and culture that the new reform represents? What is the significance of the scope of the reforms for cultural resistance (Wright 1994)? If cultural resistance is strong, both towards the way the reform process was organized and its content, this may be a sign of a garbage can process because a lot of attention is likely given to actors and factors that have the potential to undermine the process. Or, quite the contrary, according to the modified garbage can mode, leaders may use symbols connected to the culture to help take advantage of a window of opportunity (cf. Kingdon 1984). The key here is timing. The leaders need to be ready with something that looks like a solution to a problem so that they can capitalize on an opportunity. Much effort goes into defining the solution as compatible with a problem and arguing that the open window presents an opportunity to act that might not soon come again.

**Implementing Reforms**

*General features:* The starting point for reform implementation is of course important for what will happen in the implementation process (Wright 1994). If there have been both problems of control and rational calculation in the decision-making processes in the past, this can be adjusted or modified in the implementation process, but more likely will influence implementation in a negative way. Conflicts over how to organize implementation might erupt, the sense of direction for the reform may be lost and emerging legitimacy problems may be evident. This could be even worse if reforms are broad and sweeping.

On the contrary, even assuming a real problem that is well understood, and a realistic and potentially effective solution, the reform may fail in implementation because it has been compromised in design through the political process, existing interests may undermine it through a war of attrition (both through the regulatory process, amendments to statute law, and negotiated settlements in implementation), and the like. The secret, according to Patashnik (2008), is to reorient the playing field so that new interests get a foothold and a stake in a new status quo, which partly reflects the fact that there may be other actors implementing than deciding. That, of course, in and of itself, can also be a product of compromises in the political process that ultimately compromise the original intent of the reformers and blur control.

*Rational calculation:* If we first look at rational calculation in the implementation phase, there are some central questions to discuss. Are the problems, goals, and solutions, stable in their implementation (or do they change in the implementation process)? If they change, why is that? Do preconditions for the problems, goals and solutions change during implementation? Are there activities related to the problems or solutions that cause the process to open up to additional actors and interest?

From a rational-comprehensive perspective, one can argue that a successful decision process, scoring high on control and rational calculation, is best followed up with stability in
particular solutions in the implementation phase. But if the conditions originally surrounding the goals and problem definition change, it will also be rational to adjust the solution chosen in the implementation process. According to a garbage can perspective, an implementation phase might be used to introduce new problems and solutions, which may create conflicts and ambiguity. And according to a modified garbage can perspective, there may easily be other factors that are dominant in the implementation process than in the decision phase. The reforms in New Zealand in the early 1980s are an example of the latter. Roger Douglas managed to combine political entrepreneurship with distrust towards the civil service and a ready-made economic model to take advantage of a window of opportunity (Aberbach and Christensen 2001). After the Labor Party won the election, a radical reform package was revealed and implemented, something that was quite surprising, at least based on the content of the election campaign. In the short run this paved the way for reforms, but later created conflicts, distrust and a new election system that fragmented the party system and made reforms more difficult to implement (Vowles 1995).

**Political and administrative control:** Another major aspect in the implementation phase is the control and influence pattern. Does the pattern of influence among actors change in the implementation process? Is there quite a different set of actors implementing than deciding? Following a rational-comprehensive perspective one would expect continuous strong control in the implementation phase, meaning either that political leaders are still heavily engaged or that the administrative or other actors engaged in the implementation process are catering to the needs of the political leaders and following up on their intentions, goals, problems and solutions. But political leaders may lose interest in the reform eventually, either because they see that it doesn’t have that much potential for political success, or because they see more interesting processes to attend to, have capacity problems, etc. (March and Olsen 1983).

Or is it a simple fact, and a result of division of work/functions, that the implementation of reforms is loosely connected to top leaders, because the reform involves institutions on lower levels or a complexity of organizations, an implementation project consisting of representatives from different public organizations, etc., making it less likely that the deciding and implementing actors overlap?

If one takes a negotiation-friendly (perhaps, better stated, a negotiation recognizing) version of a rational-comprehensive perspective one can ask whether a hierarchically driven decision-making reform process, combined with a more open implementation process, makes a reform easier to implement? Or is it the other way round, meaning that a broad and inclusive decision process combined with a strict hierarchical implementation will be better? How easy is it, according to Patashnik’s (2008) ideas, to reorient the playing field, to make the basis for implementation better, without losing the support of the original strong actors? Opening up the process may, as Schattschneider (1960) saw it, ‘socialize conflict’, which may decrease the likelihood of an unproblematic implementation of a reform.

Some of these mechanisms can also be understood based on a modified garbage can perspective. Indeed, according to a garbage can perspective, an implementation phase may be an opportunity to further new problems or solutions that may create conflicts or ambiguity, or for contextual factors to have an effect, because of external processes and events that interfere with the implementation, making a reform more difficult to fulfill. In particular, such features may
happen if actors that have got little influence over a decision to reform see implementation as an opportunity to appeal and enter the frame again.

What about the significance of cultural factors in the implementation phase (cf. Selznick 1957)? Are cultural factors of more significance in the implementation process than in the decision-making phase, because implementation is on a lower level and dependent on how organizational units and members react, places where subcultures, either connected to organizational units and/or professions, may have added importance? Is the reform well prepared to deal with potential cultural resistance? Is the reform sensitive in a cultural way (Brunsson and Olsen 1993)? How much leeway is there in the implementation process for discretionary behavior in regard to traditional norms and values? Will political and administrative leaders build in ‘cultural safe-guards’ in anticipation of possible cultural critiques?

Effects: The last questions to be discussed concern the criteria for defining a reform, after its implementation, as a success or failure. How do different actors (including us as observers) define success? How is this dependent on the actors’ positions in the decision-making and implementation process? Or on the starting point of reforms, or on how broad they were (Wright 1994)? Is there any agreement about when to make studies of effects? How early is it possible to judge this? How about the problem of attribution, that is, how does one differentiate the effects of the reforms one is studying from the effects of other factors (Christensen et al. 2007)? Is the process of evaluating the effects of a reform part of a somewhat separate political process, where some actors, probably those that are responsible for the reform, try to brag about it, over-sell its impact or adjust the target to fit the result, while opponents will come up with negative evaluations and views (cf. March and Olsen 1976)? What are ultimate effects? Is there any actual effect on the political or administrative process? Is there any effect on policy content? Are there changes in patterns of influence? Is there any societal (outcome) effect?

These effects are seen in different ways in the different analytical perspectives. According to the rational-comprehensive perspective, success or failure may either depend on an unambiguous link from motivation/goals/problems/solution to the fulfilling of these through the implementations, or also take into consideration whether coalitions were kept or renegotiated, trust maintained or improved, etc. According to a garbage can perspective, success or failure will have a connotation of more individualistic/partial interests, and the use of symbols and social effects. A modified garbage can perspective would combine these two perspectives and paint a more complex picture with hybrid effects.

Applying the Perspectives to Some Reforms in the US and Norway

The cases we are about to outline are merely suggestive of the myriad reasons that major reforms often run into trouble.

Tax Cuts by the Bush Administration

Context and process: When George W. Bush ran for President in 2000 he saw a big problem. There was a budget surplus in the United States, one carefully constructed by President Bill Clinton’s Secretary of the Treasury (Robert Rubin) and made possible in part by a tax increase that many believe cost the elder Bush dearly in the 1992 election. “W” argued that the surplus
belonged to the people and not the government (and that politicians would inevitably waste it), so that a tax-cut was the solution to an emerging problem. (“See, I don’t think the surplus is the government’s money. I think it’s the people’s money.” From the third presidential debate: Quoted in Mucciaroni and Quirk, 2004: 164). When economic conditions deteriorated after the election, Bush argued that a tax cut was the means to an effective economic stimulus. “Then, when Senate Democrats proposed a small, temporary tax cut for that purpose, he shifted, once more, to the supply-side argument that a permanent tax cut was necessary for long-term economic health…. When energy prices increased sharply in the spring of 2001, he added yet another rationale: tax cuts could provide relief to hard-pressed consumers” (Ibid, 164). And when the country went to war in the wake of 9/11, he argued that the tax cuts should continue (be made permanent) to keep the economy buoyant after the economic shock that accompanied the attack.

**Analysis:** In short, Bush had a robust solution to every economic situation—a tax cut, a further tax cut, and the maintenance of the tax cuts, meaning that the problems, goals or motives were added to the solution. Bush and his aides played a major role in mobilizing congressional support for the cuts, demonstrating a strong degree of hierarchical control and entrepreneurial activity. He pushed the first set through after his election, a classic “window of opportunity” in the Kingdon (1984) model. And he was vehement in defending the cuts. The notion of a solution that attaches itself to almost any feasible problem that comes along seems to fit this policy reform quite well.

Unlike the New Zealand case referenced earlier, however, the results seem to have been mainly negative. The United States now has a huge budget deficit that threatens to grow steadily unless something is done about it. One argument put forth by supporters (and by the Bush Council of Economic Advisers) was that “deficits don’t matter,” that they don’t “significantly affect long-term interest rates or economic growth” (Ibid, 165). Another was that the problem is on the expenditure and not the revenue side. The answer was to cut expenditures. However, the administration mainly resorted to a variety of practices that gave little confidence it would cut expenditures (not including war costs in the budget, for example), and the tax cuts ultimately contributed to a growing budget deficit.

One can read this case as that of a cherished and enthusiastically embraced “solution” that was effectively joined by a well-positioned policy entrepreneur to every feasible “problem” that came along. The solution had strong ideological-symbolic connotations, including a firm belief in it as an ‘all-purpose’ solution, something, in short, that has definite garbage can features.

The long-term consequences in this instance, however, may be dire, and expose the huge risks that can accompany a major reform where a garbage-can process produces a “solution” that cannot possibly fit all of the problems with which it was said to be compatible. The case, as just noted, also shows the impact of cultural factors – where a dominant narrative that the money belongs to the people and not to the government and that low taxes are symbol of American freedom – can make a tax cut solution seductively attractive as an answer to any economic problem. And, once enacted, it can be quite difficult to undo a reform like tax cuts because strong interest groups coalesce around the maintenance of lower rates.
Reforming Social Security in the United States—The Bush Approach

**Context and process:** There is a long-term problem for the Social Security system in the United States. With a growing number of retirees (about to be swelled by the retirement of the so-called “baby boomers”) and a decrease in the ratio of workers to retirees, the system (now financed by payroll taxes paid by employers and employees) will pay out more money than it takes in starting in 2018 and will exhaust its “trust fund” (government bonds purchased each year with the surplus of taxes over disbursements) in about 2042 (according to the system’s trustees; and now, according to the latest estimate by 2033: Pear, 2012). At that point, without any changes in current law, it will still be capable of paying about 70 percent of its projected obligations, but not its full obligations (Lowenstein, 2012).

President Bush and many like-minded conservatives have long advocated private accounts for social security (funds invested in instruments of the future beneficiary’s choice and held in the beneficiary’s name). Bush made “reform” of the system his first major domestic priority for his second term. And he announced a “crisis” in the social security system to which private accounts were the solution.

Bush’s proposals met with resistance. One major problem was the claim of a problem. The administration had trouble convincing large segments of the population that there was a problem. As a *Washington Post* article on the visit by Bush to the constituency of a skeptical New Hampshire member of Congress (Jed Bradley, a Republican) put it: “the White House has said the aim now is to sell Americans on the idea there is a problem, in hopes that they will, in turn, put pressure on their representatives in Washington to enact the president’s plan” (Loven, 2005).

Other problems were that there is a huge transition cost estimated for going from the current system to a privatized system (the administration preferred to call the accounts “personal accounts” because of the negative reaction focus groups give to the idea of “privatizing” social security), and the administration’s insistence that there could be no increase in taxes to fund any change made in the system. In the end, the proposed reform died in Congress.

**Analysis:** In brief, this was a case of a solution politically attractive to a few, a problem definition unacceptable to the many, and a failed attempt to define a window of opportunity (a crisis) so that the solution could be adopted. Bush tried to define a situation as a crisis by using a “worst case” scenario common in garbage can-like processes, and he attempted to build support by making the TINA (“there is no alternative”) argument that can work if one can sell people on the imminence of a disaster, but he did not succeed in frightening enough people to move the political process forward.

Had the “reform” been enacted, the increased insecurity brought on by private accounts would likely have created additional short and long-term problems (greater feelings of insecurity) when markets crashed in 2008. But it is important to understand that an approach to reform of the type described by Kingdon and other modified garbage can analysts is widely used in political processes and often, as in the case of the Bush tax cuts, succeeds in enacting the
policy change advocated. Further, if appealing to important constituencies, the reform can be very difficult to undo, especially in a system with multiple veto points and strong interest groups that benefit from the changes.

Welfare Administration Reform in Norway

Context and process: The Storting (Parliament) in 2001 managed to gather all the parties in a common demand that the government at the time – a Conservative-Center majority government – reform the welfare administration because of historical problems of fragmentation and create a unified welfare service (one door policy). The government sent back a report to the Storting saying that there were no actual need for reform, but the Storting asked again for a proposal for a real unification of the services. This time, the government established a public committee consisting of academic experts in the field. It concluded that there were few needs for change, a position that was politically impossible for the government (Christensen, Fimreite and Lægreid 2007).

The final break-through of the reform started with a major reorganization of the ministerial structure in 2004. It gathered all the affected services – the employment, pension and social services – into one ministry of social affairs. The incoming minister, who had a background as Director of the Pension Service; proposed a reform compromise that was accepted in the Storting in 2005. The reform decision, the largest public reform ever in Norway (affecting 16000 employees) consisted of merging the employment and pension services into a new central government welfare agency, but also of establishing local one-stop-shops in every municipality. These local administrative welfare offices – one-stop shops - were to be a collaboration between the new central agency (its local branches) and the social services based in the municipalities. The main goals behind the new reform were three: get more people from benefits into the workforce, secure a more coordinated and user-friendly service, and create a more efficient welfare service.

In the implementation period, from 2006-2010, two major features were typical. First, all the local welfare offices were gradually ‘rolled out’ and established in 430 municipalities, each with a minimum staff of 3 people. Second, a major reorganization of the reform was initiated and decided on in 2008. This reorganization, headed by the top leadership in the new central agency, and accepted by the central political leadership, meant that a lot of resources were moved from the local offices and up to the regional level. The reorganization established 5-6 regional pension offices, something that happened at the same time as a new pension system with a new ICT system was established (Askim et al. 2010). It also established several county-administrative offices. The regional/county offices were to have most of the real case-work and make the final decisions. In this way, efficiency through economy-of-scale would be better, the professional quality better and the judicial rights of the clients improved.

What are the arguments that this reform was a relative success? First, the Storting, an unlikely initiator of a reform, succeeded in pressuring the government to accept a major reform of the welfare administration that was historically unprecedented. Second, the three former services have managed a more unified means of service delivery that, at least for the multi-service users, seems to have yielded some positive effects. Third, the new welfare administrative system has managed, through the establishment of a new pension system and the reorganization
in 2008, to learn from the problematic features of the 2005 reform and established a new organization with better professional quality.

On the negative side, there are more signs of this reform being a failure, or at least disappointing in many respects. First, the fact that the reform had to be reorganized during the implementation phase suggests that the original reform was not well founded. Second, if we look into the fulfillment of the major goals behind the reform, the results are very mixed. The goal of increased *efficiency* has not been much emphasized at all, and the results are meager in this respect. The goal of fewer people on benefits and more people returning to the work-force is problematic to prove. The third goal of a more unified and more user-friendly service is problematic to judge, but increased complexity has in certain ways made it more difficult to be a client.

Fourth -- and adding to these critical points -- there has been much criticism of the system, both after the initial reform and after the reorganization (Askim et al. 2010). The Auditor General’s Office produced a very critical report about the lack of quality assessment systems and quality in case-work in the new welfare administrative system. This led to a public hearing in the Storting. The national organization for the municipalities, the clients’ organizations and the affected unions have also become increasingly negative, as has the media. Client satisfaction has not improved; quite the contrary. So, overall, it’s fair to conclude that this has been a reform that has disappointed in major ways.

*Analysis:* How can we understand the reform and its effects based on the three perspectives outlined? The rational-comprehensive perspective has two major elements -- rational calculation and political-administrative control. Concerning rational calculation, many features are typical. First, a combination of an unwilling ministerial leadership and an initiative that was ambiguous -- What really was a unified service? -- led to a rather low quality of organizational thinking in the initial process. Second, when the final compromise was proposed and decided on in 2005, motivated by political maneuvering, it was a very complex model that was difficult to understand. As with an integrated model, it was argued that a fragmented model would fulfill all the three major reform goals, indicating weak thinking and ambiguity. Third, the process leading up to the reorganization of the reform scored higher on rational calculation because the internal processes of preparation, planning and preparation were more thorough. But it was still not easy to grasp how the reorganization would greatly improve the chances of fulfilling major goals.

With regard to political and administrative control, the picture is also rather mixed. The initiative from the Storting and the constant pressure to come up with a reform shows that the political and administrative leadership had rather little of control in the initial phase of the process. Political control was however, taken back in 2004 when the incoming minister of a new and large welfare ministry used his political connections to work out a compromise that was accepted in the Storting. What happened in the phase leading up to the reorganization of the reform in 2008 is first of all ‘arena-shifting’ (Richards and Smith 2006). The top leadership in the central welfare agency dominated this phase. According to Patashnik (2008), one can say that the administrative leadership in the ministry accepted this development, because it lead to modification of a reform they originally had been against. The new political leadership, now
from a Red-Green government, probably saw the problems of the original reform and accepted the reorganization.

According to the garbage can perspective, there were also some typical features during the process that both show loose coupling and led to the use of symbols, both features that undermine rational calculation. The Storting’s initiative was basically ambiguous. ‘One welfare service’ became a strong symbol, but left unresolved the balance between a strong central state and local self-rule. The main symbol in the compromise proposed in 2005 was ‘local partnership’. That sounded good, but actually covered an organizational construction that had the potential to produce strong central dominance. The connections between the goals and solution in the initial reform process were also loose, and definitely had features of solutions before problems. The process leading up to the reorganization also had features of a preferred solution – vertical centralization to the regional level – looking for problems. The reform was in many ways over-sold by the administrative leadership in the welfare agency and later on it struggled to sell the new solution as a major improvement.

Do we also see features of the modified garbage can perspective in the reform and reorganization processes? At two important points in time, entrepreneurs clearly used arguments, partly symbolic, to take advantage of a ‘window-of-opportunity’. In 2004 the incoming minister showed evidence of significant political entrepreneurship when he proposed a compromise that was accepted in the Storting. The window was open because the members of the Storting strongly wanted a reform, but their initiative was ambiguous, something that left some political leeway. The entrepreneur took advantage of the open window, something that was politically necessary, but a major negative factor was that the solution decided on was quite far away from what the political and administrative leadership originally wanted.

This eventually led to the second window-of-opportunity in 2008. This time it was the director of the new central welfare agency who was the entrepreneur and he argued that it was both natural and imperative to develop the reform further. The window opened partly because of the re-emerging of old resistance towards the reform and partly because there was a great deal of criticism of the effects of the reform. This time, when the entrepreneur jumped through the window, the process was less politicized and characterized by going back to some of the original wishes of the ministerial leadership and the academic experts. So this was a little like ‘the empire strikes back’, or according to Streeck and Thelen (2005) a change from ‘breakdown and replacement’ (reform) towards ‘survival and return’ (reorganization). The problem, however, was that a reorganization of a reform that was about to settle down, potentially created more conflicts and confusion and therefore had a potential for problematic effects.

Lastly, how do cultural factors play into the picture we have painted? First, when the reform was decided on, the Storting and the pension services had their interests mostly fulfilled, while the reorganization of the reform brought forward new winners, primarily the administrative leadership and actors from the former employment service, who were originally against the reform. This also represents a kind of path-dependency. The second reorganization partly turned the clock back towards the old organization through reinstating some features of the old regional employment service units before 2001. Second, when the reform was decided and implemented, and also after the reorganization, the welfare offices in the largest cities were not
much affected, so again we see some path-dependency. The reason for this was a combination of large self-sustaining units with large volumes of cases and strong unions.

Conclusions

The modified garbage can perspective yields important insights for understanding both the process leading to major reforms and the reasons they are so often disappointing (Kingdon 1984). Since the process often entails solutions in search of problems, rather than problems in search of solutions, the match of the two is likely to be quite imperfect, even under the best of circumstances. The addition of political entrepreneurs and windows of opportunity to the explanation provide an important role for the usual political factors that are often employed to explain the process and the reasons that imperfect solutions come out of the political process. They are important factors, to be sure, but it is possible that they are less important than the sometimes odd couplings that are inherent in the garbage can process. Add to this the huge difficulties often present in implementing and, especially, in sustaining a reform and the big question for us to answer may not be why major political and policy reforms so often fail to achieve what is promised (or, in the case of the Bush tax cuts, achieve what is promised and then contribute to new and more intractable problems); the big question may be why (beyond sheer luck), given the process that seems to dominate, some major reforms succeed.

While the three cases in the analysis are by no means fully representative of the reform process – no three cases could be – they do suggest that structural reforms may be even more difficult to design and implement than policy reforms, and that policy reforms attractive to many, such as the Bush tax cuts, while perhaps relatively easy to get enacted, often may contribute to big problems down the road. Further, and not surprisingly, all of the cases exhibit strong evidence of garbage can features, and they show how important the “window of opportunity” concept explicated by Kingdon (1984) is, both in understanding the adoption of reforms and their later problems in implementation.

The bottom line is that the road to effective reform is filled with obstacles. Reform, especially of the non-incremental form, is vulnerable at every stage from conception through to implementation. An old saying in American football is that three things can happen when one throws a forward pass, and two of them are bad. In the world of reform, the stages are often numerous and almost always complex, and things that happen in all of them are potential sources of problems. That does not mean that reforms are always doomed to failure, but they are not often great candidates for success either. They do, however, provide steady business for consulting firms and academic evaluators.

References


