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Taking ideas and discourse seriously: explaining change through discursive institutionalism as the fourth 'new institutionalism'

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All three of the traditionally recognized new institutionalisms – rational choice, historical, and sociological – have increasingly sought to 'endogenize' change, which has often meant a turn to ideas and discourse. This article shows that the approaches of scholars coming out of each of these three institutionalist traditions who take ideas and discourse seriously can best be classified as part of a fourth 'new institutionalism' – discursive institutionalism (DI) – which is concerned with both the substantive content of ideas and the interactive processes of discourse in institutional context. It argues that this newest of the 'new institutionalisms' has the greatest potential for providing insights into the dynamics of institutional change by explaining the actual preferences, strategies, and normative orientations of actors. The article identifies the wide range of approaches that fit this analytic framework, illustrating the ways in which scholars of DI have gone beyond the limits of the traditional institutionalisms on questions of interests and uncertainty, critical junctures and incremental change, norms and culture. It defines institutions dynamically – in contrast to the older neo-institutionalisms' more static external rule-following structures of incentives, path-dependencies, and cultural framing – as structures and constructs of meaning internal to agents whose 'background ideational abilities' enable them to create (and maintain) institutions while their 'foreground discursive abilities' enable them to communicate critically about them, to change (or maintain) them. But the article also points to areas for improvement in DI, including the theoretical analysis of processes of ideational change, the use of the older neo-institutionalisms for background information, and the incorporation of the power of interests and position into accounts of the power of ideas and discourse.

Keywords: ideas; discourse; discursive institutionalism; historical institutionalism; rational choice institutionalism; sociological institutionalism

Introduction

The three traditionally recognized 'new institutionalisms' of political science – rational choice institutionalism (RI), historical institutionalism (HI), and sociological institutionalism (SI) – have one thing in common: they have been much

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better at explaining continuity than change. In all three frameworks for analysis, institutions serve primarily as constraints. RI focuses on rational actors who pursue their preferences following a 'logic of calculation' within political institutions, defined as structures of incentives; HI details the development of political institutions, described as regularized patterns and routinized practices subject to a 'logic of path-dependence'; and SI concentrates on social agents who act according to a 'logic of appropriateness' within political institutions, defined as socially constituted and culturally framed rules and norms. Because of their definitions of institutions, which they present largely as given, static, and constraining, neo-institutionalist scholars in all three neo-institutionalisms have mainly explained change as coming from the outside, as the result of exogenous shocks. It is only relatively recently that they have sought to endogenize institutional change, by looking to explain the origins of or shifts in interest-based preferences, historical paths, or cultural frames. Although some such scholars have sought to do this while remaining within their older neo-institutionalism, others have turned to ideas and discourse. Just how many have done so in each of the three neo-institutionalisms varies considerably, however, with relatively few scholars working in the RI tradition, more in the HI tradition, and the most in the SI tradition. But importantly, all those who have come to take ideas and discourse seriously have broken with some of the fundamental presuppositions of their own institutionalist tradition at the same time that they have come to share enough in common to be identifiable as part of a fourth new institutionalism. And what they share includes not only an analytic framework but also a commitment to go beyond 'politics as usual' to explain the politics of change, whether this means the role of ideas in constituting political action, the power of persuasion in political debate, the centrality of deliberation for democratic legitimation, the (re) construction of political interests and values, or the dynamics of change in history and culture.

I name this fourth new analytic framework 'discursive institutionalism' (DI) to call attention to the commonalities among the wide range of scholars who use ideas and discourse to explain political change (and continuity) in institutional context (see also Schmidt, 2002: Ch. 5, 2006: Ch. 5, 2008). And I label all scholars who take ideas and discourse seriously as 'discursive institutionalists', whether they themselves use this term, prefer instead to classify themselves within one of the older institutionalist traditions, or have themselves come up with a different, more specific term to identify their particular take on ideas and/or discourse. Among these latter scholars, some focus primarily on the ideas side of the framework, calling their approach the 'ideational turn' (Blyth, 2002), discursive institutionalism (see Campbell and Pedersen, 2001), ideational institutionalism (Hay, 2001), and constructivist institutionalism (Hay, 2006). Others emphasize the discourse side, whether calling it discourse analysis (Hajer, 2003), the argumentative turn (Fischer, 2003), or deliberative democracy (Dryzek, 2000). Still others span the ideas/discourse divide, much like DI, whether through approaches focusing on the '*réferentiel*' (frame of reference) (Jobert, 1989; Muller,

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1995) or on 'advocacy coalitions' (Sabatier and Jenkins-Smith, 1993). Yet others have resisted positing a fourth such institutionalism (e.g., Campbell (2004), but see Campbell and Pedersen (2001)), mainly because they seek to blur the boundaries among the three older institutionalisms in order to show how ideas and discourse can serve to advance knowledge in the social sciences across methodological approaches. For our purposes, which is to demonstrate how the turn to ideas and discourse can take us beyond the limits of the three older neo-institutionalisms in order to explain the dynamics of change (and continuity), it is more useful to identify the commonalities in all approaches that focus on ideas and discourse as distinct from rationalist interests, path-dependent history, and cultural framing.

Discursive institutionalism is an umbrella concept for the vast range of works in political science that take account of the substantive content of ideas and the interactive processes by which ideas are conveyed and exchanged through discourse. On the substantive dimension of ideas and discourse, DI scholars consider ideas about 'what is and what ought to be' at different levels of generality (Schmidt, 2008; Mehta, 2010), going from policy ideas (e.g., Kingdon, 1984; Hall, 1989) to programmatic ideas or paradigms (Hall, 1993; Berman, 1998) to deeper philosophical ideas (Campbell, 2004). They also consider different types of ideas, including cognitive ideas justified in terms of interest-based logics and necessity (e.g., Jobert, 1989; Hall, 1993; Schmidt, 2002: Ch. 5) and normative ideas legitimated through appeal to values and appropriateness (e.g., March and Olsen, 1989; Schmidt, 2000). And they consider the representation of ideas through discourse, including frames, narratives, myths, collective memories, stories, scripts, and more (e.g., Roe, 1994; Hajer, 2003).

On the interactive dimension, DI scholars consider the discursive processes by which such ideas are constructed in a 'coordinative' policy sphere and deliberated in a 'communicative' political sphere (Schmidt, 2000, 2002). The coordinative discourse encompasses the wide range of policy actors engaged in the construction of policy ideas. They may be organized in 'epistemic communities' of elites with shared ideas (Haas, 1992), 'advocacy coalitions' of elites with shared ideas and policy access (Sabatier and Jenkins-Smith, 1993), and 'advocacy networks' of activists contesting ideas in international politics (Keck and Sikkink, 1998). Or they may act as 'entrepreneurs' (Fligstein and Mara-Drita, 1996) and 'mediators' (Jobert, 1989; Muller, 1995) who serve as catalysts for the ideas of such discursive communities.

The communicative discourse encompasses the wide range of political actors who bring the ideas developed in the context of the coordinative discourse to the public for deliberation and legitimation. These actors may include political leaders involved in the top-down mass electoral process of public persuasion (see e.g., Zaller, 1992; Mutz *et al.*, 1996), in public debates (Art, 2006) or in the 'policy forums' of 'informed publics' (Rein and Schön, 1991 engaged in 'communicative action' (Habermas, 1996). Or they may be members of civil society

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engaged in the bottom-up discursive interactions of grass-roots organizations, social movements, 'mini-publics' (see Goodin and Dryzek, 2006), local 'empowered participatory governance' (Fung and Wright, 2003), and citizens whose voices are heard not only in opinion polls but also in votes – where actions speak even more loudly than words.

The 'institutionalism' in discursive institutionalism suggests that this approach is not only about the communication of ideas or 'text' but also about the institutional context in which and through which ideas are communicated via discourse. The institutions of discursive institutionalism, however, are not the external rule-following structures of the three older institutionalisms that serve primarily as constraints on actors, whether as rationalist incentives, historical paths, or cultural frames. They are instead simultaneously constraining structures and enabling constructs of meaning, which are internal to 'sentient' (thinking and speaking) agents whose 'background ideational abilities' explain how they create and maintain institutions at the same time that their 'foreground discursive abilities' enable them to communicate critically about those institutions, to change (or maintain) them (Schmidt, 2008). When discursive institutionalists engage with any one of the older three neo-institutionalisms, therefore, they tend to use their results as background information, whether as the unproblematic basis for further inquiry – say, to elaborate on preference formation and to elucidate critical junctures – or as the problematic assumptions to be investigated. With regard to institutional change, this would involve demonstrating how and when ideas in discursive interactions enable actors to overcome constraints which explanations in terms of interests, path dependence, and/or culture present as overwhelming impediments to action.

Discursive institutionalism thus shares with the other neo-institutionalisms a core focus on the importance of institutions, but it differs in its definition of institutions, in its objects and logics of explanation, and in the ways in which it deals with change (see Table 1). Because the three older 'new institutionalisms' are well known, as are their drawbacks, this article provides only brief sketches of these here (for a fuller account, see Schmidt (2009a)). And because there is such a vast range of scholarly ideas about ideas and discourse (see Goodin and Tilly, 2006: Pt IV), my purpose is not to review them all here. Rather, it is to show how DI fits against the other three new institutionalisms and, in doing so, to demonstrate that DI offers a framework within which to theorize about the dynamics of institutional change. The article begins with the turn to ideas first in RI, next in HI, and then in SI before exploring the interactive dimension of discourse. The article concludes with a consideration of the interrelationships among the four new institutionalisms.

Rational choice institutionalism and the turn to ideas

Rational choice institutionalism posits rational actors with fixed preferences who calculate strategically to maximize their preferences, and for whom institutions

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Table 1. The four new institutionalisms

	Rational choice institutionalism	Historical institutionalism	Sociological institutionalism	Discursive institutionalism
Object of explanation	Behavior of rational actors	Structures and practices	Norms and culture of social agents	Ideas and discourse of sentient agents
Logic of explanation	Calculation	Path-dependency	Appropriateness	Communication
Definition of institutions	Incentive structures	Macro-historical structures and regularities	Cultural norms and frames	Meaning structures and constructs
Approach to change	Static – continuity through fixed preferences, stable institutions	Static – continuity through path dependency interrupted by critical junctures	Static – continuity through cultural norms and rules	Dynamic – change (and continuity) through ideas and discursive interaction
Explanation of change	Exogenous shock	Exogenous shock	Exogenous shock	Endogenous process through background ideational and foreground discursive abilities
Recent innovations to explain change	Endogenous ascription of interest shifts through RI political coalitions or HI self-reinforcing or self-undermining processes	Endogenous description of incremental change through layering, drift, conversion	Endogenous construction (merge with DI)	Endogenous construction through reframing, recasting collective memories and narratives through epistemic communities, advocacy coalitions, communicative action, deliberative democracy

RI = rational choice institutionalism; HI = historical institutionalism; DI = discursive institutionalism.

represent the incentive structures that reduce the uncertainties resulting from the multiplicity of individual preferences and issues (see e.g., Hardin, 1982; Ostrom, 1990). This approach has arguably been the most resistant to the turn to ideas. The ways in which DI deals with questions of interests and institutions challenges the very premises of RI about the fixed nature of preferences and the stability of institutions. Preference formation, moreover, which is at the center of DI concerns, was until very recently of little interest to RI scholars, while institutional change was ruled out analytically *a priori*. But critiques of RI – emphasizing its economic determinism, its inability to deal with institutional change endogenously, and its difficulties in accounting for preference formation (see e.g., Mansbridge, 1990; Green and Shapiro, 1994; Scharpf, 1997) – have led scholars in the RI tradition in recent years to seek to 'endogenize' change.

In their attempts to find new ways to account for preference formation and institutional shifts, RI scholars have mostly looked to political coalition formation, although they have sometimes even sought a rapprochement with HI (e.g., Katznelson and Weingast, 2005). For example, Iversen and Soskice (2006) argue that formal electoral institutions act as incentive structures that produce political coalitions which implement certain kinds of socio-economic policies, more inegalitarian in majoritarian systems, less inegalitarian in proportional ones. The problem with such an approach is that it remains highly deterministic, as institutions determine politics which determine political outcomes, and it still can't explain the origins of the institutions or of the political coalitions that created them, let alone why they might change institutions or policies over time. In contrast, Grief and Laitin (2004), in seeking to build HI insights into game-theoretic analysis, redefine the goal of institutions – from 'self-enforcing' to self-reinforcing or self-undermining institutions – and their effects – as 'parametric' in the short term, meaning exogenous and fixed for agents who act on self-enforcing beliefs, but only 'quasi-parametric' in the long run, meaning endogenous and variable as individuals are led to act in a manner that does not reproduce the associated beliefs. The problem here is that although this may better account for change over time in game-theoretic terms, we are still left with the irrationality of the choice of institutions to begin with; the deterministic trajectory of change over time, now for better or worse; and the limited rationality of these supposedly 'rational' actors at any given point in time.

Relatively few RI scholars have turned to ideas to solve the problem of institutional change. Among those who have, the most significant RI engagement with ideas began in the 1990s, although it has remained rather circumscribed. Goldstein (1993) and Goldstein and Keohane (1993) provide the classic exposition of the RI approach to ideas (see also Weingast, 1995). They deem ideational explanation useful only when and if explanation in terms of 'objective' or 'material' interests is insufficient, which may occur in one of three ways, each of which is problematic in a different way. First, ideas may come before interests, acting as 'road maps' for individual actors to clarify their goals or limit the range

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of strategies to be taken – in which case ideas seem to determine interests, but we have no explanation of the selection mechanism by which certain ideas get chosen over others (Yee, 1997: 1024; Blyth, 2002: 16; Gofas and Hay, 2010). Second, ideas may come after interests, acting as 'focal points' for actors to choose among equally acceptable alternatives (i.e., multiple Pareto-improving equilibria) – in which case ideas serve at best to 'mop up' residual variance, and we still can't explain the mechanism by which the now exogenously, interest-determined ideas are picked (see Yee, 1997: 1025–1027; Blyth, 2002: 26; Gofas and Hay, 2010). Third, ideas may be embedded in institutions, in which case it is the institutions rather than the ideas that really matter to the actors (Yee, 1996; Gofas and Hay, 2010). A fourth-way RI scholars see ideas coming in is as after-the-fact legitimation of actors' interest-based action, following an instrumental logic, or as 'hooks' for elite interests (e.g., Shepsle, 1985) – in which case ideas are not really taken seriously at all.

In all of these approaches, then, ideas have not gone very far beyond interests, since they are little more than mechanisms for choosing among interests, focal points for switching among equilibria (see critique by Ruggie, 1998: 866–867), or after-the-fact justification for interest-based choices. Douglas North (1990) went farther, first by using ideas to overcome the problem of how to explain institutional construction, then by casting ideas as 'shared mental modes'. However, as Blyth (2003: 696–697, 2002: Ch. 2) argues, the contradictions inherent in both such approaches may have been 'a bridge too far'. First, if ideas create institutions, then how can institutions make ideas 'actionable'? But second, if instead ideas are 'mental modes', then what stops ideas from having an effect on the content of interests, and not just on the order of interests, which means that ideas would constitute interests, rather than the other way around.

The problem for RI scholars, then, and the reason most of them quickly abandoned the pursuit of ideas, is that they could not continue to maintain the artificial separation of 'objective' interests from 'subjective' ideas about interests, that is, beliefs and desires. Such subjective interests threatened to overwhelm the objective ones which are at the basis of the rationalists' thin model of rationality, by undermining the 'fixed' nature of preferences and the notion of outcomes as a function of pre-existing preferences. And without fixed preferences as well as neutral institutional incentive structures, RI scholars lose the parsimony of the approach and everything that follows from it, including the ability to mathematically model games rational actors play as opposed to those 'real actors play' (see Scharpf, 1997; Rothstein, 2005: Ch. 1). This helps explain why the foray into ideas for most dyed-in-the-wool RI scholars was short-lived. For those who persisted, however, a whole new approach to the explanation of interests and institutions has opened up.

For DI scholars engaged with the RI tradition, subjective interests replace the objective ones of RI, as ideas about interests that bring in a much wider range of strategic ideas and social norms that must be explained in terms of their meaning

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to the actors within a given 'meaning context' rather than in terms of some set of universally identifiable interests. Material interests, economic in particular, which are at the basis of much of the institutional incentives in the rational choice institutionalist literature, are not ignored. But in discursive institutionalism, scholars tend to separate material interests analytically into material reality and interests rather than to conflate them, such that material reality constitutes the setting within which or in response to which agents may conceive of their interests (see Schmidt, 2008).

The kind of knowledge and degree of certainty agents may have with regard to their ideas about material reality may also differ, depending upon the aspect of material reality with which they are concerned. Illustrative of this epistemological observation is Wittgenstein's (1972) little-noticed distinction between the language-games based on our everyday experiences in the world, which tend to admit of few doubts or mistakes, and language-games based on our (social) scientific pictures of the world, which may always allow for doubts, mistakes, and even gestalt switches (see Schmidt, 2008). The problem with RI is that it tends to develop (social) scientific pictures-games of the world that it treats as if they had the certainty of experience-games – a point also made by Taleb and Pilpel (2005; see discussion in Blyth, 2010), who demonstrate that the world in which we live is a lot more uncertain than the world of risk economists and rational choice institutionalists generally assume, given the impossibility of knowing let alone statistically predicting the effects of all the forces that may have an impact on economic and political realities.

As Blyth (2002: 31–39, 2010; see also Schmidt, 2008) argues, the problem with RI is that it assumes that most phenomena are explainable in terms of 'Knightian risk', because they are part of a directly observable world that agents can perceive more or less well and in which they can calculate the subjective probability of the likely outcomes of their preferences, such as in the US Congress. Such phenomena, Blyth shows, are in actuality better explained in terms of 'Knightian uncertainty', because they are part of a world that is not directly observable, such as the global economy, in which agents are not simply unsure about how to achieve their interests but unsure of what their interests are, given that the uncertainties are too great, the moment unique, prediction impossible, and agents' interests always structurally underdetermined. Blyth (2002) illustrates this by noting that the Great Depression in the 1930s and the economic crisis following the oil shocks of the 1970s were cases of Knightian uncertainty for both the United States and Sweden, as governments, business, and labor at these critical junctures all sought to reconstitute interests through alternative 'narratives' and 'causal stories' about the reasons for the crisis, seeking to produce new political coalitions for collective action, with ideas serving as 'weapons' and 'blueprints' in the struggle to replace existing institutions.

Woll (2008) demonstrates that there are also less dramatic instances of Knightian uncertainty, such as the kind faced by multinational businesses lobbying for the deregulation of international trade in services. Here, firms' ideas about which

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utility to maximize (interests), how to maximize it (strategies), and to what end (goals) explains not only changes in their identity, as they moved from seeing themselves as national champions to global players, but also changes in institutions, as trade in services was developed in a context of single-level (US) games spurred by business and multi-level (EU) games in which global liberalization was linked to attempts to spur business support for liberalization in the member states. But Woll (2008: 161), as she herself notes, reifies a single corporate rationality for the sake of parsimony, and thus misses out on the negotiation processes inside firms as well as between them that make for a much more complex ideational construction of interests than the stylized one she developed.

Culpepper (2005) shows how one might zoom in to consider such ideational processes in detail, in the institutional changes (or continuities) of the corporate governance systems of France and Germany in the 1990s. In the case of France, he argues that CEOs underwent a joint belief shift at a critical juncture, when a central figure in the system of cross-shareholding exited, thereby 'signalling' an idea that led to a shift in belief system when other French CEOs followed suit after an exchange of ideas. German CEOs, by contrast, did not change the rules of the game at their own critical juncture, when a major firm was taken over by a foreign company, because the outsider nature of the takeover had little effect on the CEOs' belief system.

Culpepper's approach has the advantage for RI of helping to maintain the possibility of game-theoretic analysis, by positing an equilibrium state with fixed preferences and stable institutions before and after the period of ideational change. The disadvantage is that it formalizes an empirical process that was, in reality, a lot more messy and uncertain than the discussion suggests (see Schmidt, 1997, 2002: Ch. 6), making 'revolutionary' a process of change that was a lot more incremental. French CEOs had already voiced dissatisfaction with the system prior to the central figure's precipitating action while the Germans were a lot more dissatisfied with the system, as was evident from their partial defection once the rules were changed with regard to capital gains tax in 2002 (Schmidt, 2002: Ch. 6; Kinderman, 2005). Moreover, by limiting the importance of ideas to the period of uncertainty between the end of the old institutional 'game' and the beginning of the newly agreed institutional 'game', we have changing DI ideas within a critical moment preceded and followed by RI crystallized preferences and frozen institutions.

Institutions, however, as Rothstein (2005) shows, also change over time as the ideas that infuse them change. This is because, as he argues, institutions themselves should not be treated as neutral structures of incentives but, rather, as the carriers of ideas or 'collective memories' which make them objects of trust or mistrust and changeable over time as actors' ideas and discourse about them change in tandem with changes in their performance. Rothstein (2005: 168–198) illustrates this with the case of the long-term survival of the institutions of Sweden's collective bargaining system, which became the carriers of ideas or 'collective

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memories' created at a critical juncture in the 1930s, when the system evolved into the trusted 'public institution' based on peaceful and collaborative industrial relations which continues to this day, despite changes related to the employers' pull-out of the national centralized system.

Discursive institutionalist scholars who engage with the RI tradition, then, like RI scholars, speak the language of interests, incentive structures, and collective action. But they see these as infused with a wide range of ideas and norms rather than narrowly focused on an instrumental rationality of utility-maximization, with incentive structures normative rather than neutral, interests subjective rather than objective, and their explanations, where these are RI 'pictures of the world', much more uncertain than RI scholars recognize.

Historical institutionalism and the turn to ideas

Historical institutionalism focuses on how institutions, understood as sets of regularized practices with rule-like qualities, structure action and outcomes. It emphasizes not just the operation and development of institutions but also the path-dependencies and unintended consequences that result from such historical development (Steinmo *et al.*, 1992; Hall and Taylor, 1996: 938; Thelen, 1999; Pierson, 2000). HI has been more open to the turn to ideas than RI. This is because whereas RI has certain ontological and epistemological presuppositions about agency that clash with those of DI, HI lacks agency, for which HI scholars often turn to RI or SI (see Hall and Taylor, 1996: 940–941) and, increasingly, to DI. Moreover, critiques of HI – such as those that emphasize its historical determinism where it focuses on critical junctures (e.g., Collier and Collier, 1991) leading to path-dependence (Mahoney, 2000; Pierson, 2000), along with its inability to explain institutional change endogenously, even if more recent HI scholars have succeeded in describing incremental change, through layering, conversion, and drift (Thelen, 2004; Streeck and Thelen, 2005) – have left an opening to DI.

Whereas RI scholars have largely resisted the turn to ideas, HI scholars have been divided over how far to go with regard to ideas. The question here is where the tipping point is between HI scholars who continue to see institutions as constitutive of ideas and those who might better be called DI scholars within a HI tradition because they see ideas as constitutive of institutions even if shaped by them. Interestingly enough, even in the book that gave HI its name (Steinmo *et al.*, 1992), the few chapters that were focused on ideas – those of Hall, King, and Weir – take us beyond HI. Among these scholars, Hall's work has arguably been the most eclectic. It began as entirely HI on the differences in the political economic rules and institutional role of the state in Britain and France (Hall, 1986), followed with a largely HI approach to ideas focused on the priority of national institutional structures to explain the differential influence of Keynesianism (Hall, 1989), continued with a DI explanation of how Thatcher's monetarist ideas were

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constitutive of new institutions (Hall, 1993), and ended with a switch to a RI analysis of firm-centered coordination in HI-differentiated varieties of capitalism (Hall and Soskice, 2001).

By contrast, both King (1999) and Weir (2006) have moved into DI within the HI tradition. In his book on illiberal social policy in Britain and the US, King (1999) focuses on the role of ideas and knowledge in the making of immigration policy, although the book also retains a strong HI component with its emphasis on how institutional context made it easier for the centralized British government to take up ideas and impose reform than in the federal US. Recently, moreover, Weir has critiqued the approaches to agency of both HI and RI, arguing that in order to be able to explain organized labor's efforts to redefine itself as a political actor in the US and to build new coalitions (Weir, 2006), we need to add to RI explanations of interest calculations a focus on relational and cognitive factors in terms of 'the processes of power and persuasion'.

More recent work in historical institutionalism, such as the edited volume of Streeck and Thelen (2005) focused on incremental institutional change, is also split between authors who look to RI for agency and those who look more to DI. Thus, whereas the introduction to the volume tends to theorize the dynamics of change primarily in HI and RI terms, explaining layering, drift, and conversion by way of rational actors engaged in 'on-going skirmishing as actors try to achieve advantage by interpreting or redirecting institutions…' (Streeck and Thelen, 2005: 19), a number of the authors in the volume emphasize the importance of ideas (i.e., Jackson, Deeg, Palier, Quark and Djelic). Among these, Palier (2005) mixes HI and DI (in the HI tradition) when he offers a critique of theories of ideational change based on paradigms (as per Hall, 1993) by showing that French welfare state reform underwent revolutionary institutional change without any abrupt shift in goals, core ideas, or objectives as policy actors 'layered' new 'recipes' for social policy onto the old. In contrast, Quack and Djelic (2005) mix HI and DI (in the SI tradition) when they explain the 'path generation', combination, and recombination of anti-trust policies in Germany and the EU in terms of institutional entrepreneurs and epistemic communities with new ideas, beginning with how American occupation authorities with pro-competition ideas put like-minded German actors in positions of authority, which in turn gave them an advantage in the subsequent battle of ideas.

These examples raise more theoretical questions about how to reconcile HI and DI. For some DI scholars in the HI tradition, HI and DI can fit easily together, with HI providing structures, DI agency. For example, in his history of racial incorporation in America, Lieberman (2005) argues that ideas (actors' goals) may give us motive but not opportunity, which is established by the institutions (the rules that bind actors) which not only constrain political behavior but also structure political openings for mobilization and articulation of interests. The problem with this mix is that it risks papering over some very real differences between HI and DI, in particular that HI portrays institutions as constraining

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structures external to actors whereas DI defines institutions as internal ideational constructs and structures (discussed below). Moreover, it leaves open the question of whether there can be a specifically HI approach to agency. Only Steinmo and Lewis (n/a) have actually proposed such an endogenous account of agency, using evolutionary biology to explain institutional change in terms of how populations' genetic predispositions combined with environmental factors make for the success, replication, proliferation, and genetic feed-back of certain preferences. The problem with this approach, from a DI perspective, is that it appears mechanistic, with no sense of the critical thinking of 'sentient agents' (read real people) consciously changing their institutions – for better or for worse – through deliberation, contestation, as well as consensus-building around ideas.

One way out of this dilemma is to separate the HI examination of the institutional context of historical rules and regularities, critical junctures, and incremental change from the DI analysis, which could then use the results of the HI investigation as background information. This would help show how sentient agents infuse HI rules with contextualized meanings, construct understandings and responses to critical moments, or come up with the ideas that lead to the 'layering' of one institution over another, the 'reinterpretation' of an institution, or the 'conversion' of agents to another institution. This kind of two-step institutionalist approach is what I (Schmidt, 2006) have done in examining the differential impact of the EU on its member-states' democracies. I demonstrate that HI helps account for the greater challenges to 'simple' polities such as France and the UK, in which governing authority is focused on the executive, by the 'highly compound' EU than to similarly 'compound' polities like Germany and Italy, where governing authority is more dispersed. But it cannot explain these countries' differing responses to the EU, because institutional design is not destiny. Also necessary is a DI explanation of the role of legitimizing ideas as well as persuasive discourse in promoting (or not) public acceptance of the European Union.

Other DI scholars interweave HI and DI together in discussions of evolutionary changes across time, while giving primacy to the ways in which evolving ideas affect changes in institutions. For example, in her contrast between the failures of social democrats in Germany to stem the Nazi tide and their success in Sweden in the run-up to World War II, Berman (1998) demonstrates that the explanation has a lot to do with the differences in the programmatic beliefs of German Social Democrats, who capitulated before Nazism in large measure because they could not think beyond their long-held Marxist ideas, and those of Swedish Social Democrats, who succeeded in not only fighting fascism but also in creating a social democratic state because they were free of any such ideational legacy and were therefore able to reinvent socialism.

This said, DI does not purport to explain all change – this would be a big mistake since 'stuff happens', events outside of peoples' control occur all the time, material conditions do change, actions often have unintended consequences, and actors often act without prior ideas and discourse about what it is that they will

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do. As HI scholars remind us, processes of change are often unconscious – as people may act without any clear sense of what they are doing, creating new practices as a result of 'bricolage' and destroying old ones as a result of 'drift' (Thelen, 2004; Streeck and Thelen, 2005). DI, however, shows that much change can and should be explained in terms of sentient agents' ideas about what to change (or continue) – if nothing else, in response to occurrences on the outside, that is, to the stuff that happens.

Discursive institutionalist scholars who engage with the HI tradition, then, like HI scholars, also speak the language of institutional rules and regularities, critical moments and incremental change. It is just that they infuse these 'structures' with 'agency', by focusing on the ideas of real actors that help explain changes or continuities in institutions, at critical moments or incrementally over time.

Sociological institutionalism and the turn to ideas

Sociological institutionalist focuses on the forms and procedures of organizational life stemming from culturally specific practices, with institutions cast as the norms, cognitive frames, scripts, and meaning systems that guide human action according to a 'logic of appropriateness' (March and Olsen, 1989; DiMaggio and Powell, 1991; Scott, 1995). In SI, therefore, one cannot talk about a turn to ideas as such, since ideas have always been at the basis of the approach – as norms, frames, and meaning systems. The differences between SI and DI, therefore, are often quite fuzzy, and depend upon whether scholars see ideas more as culturally determined, static ideational structures and institutions – as macro-patterns consisting of 'action without agents' (Hall and Taylor, 1996: 954) or, worse, structures without agents (see Checkel, 1998: 335) – or whether they take a more dynamic approach to ideas.

On the SI side are constructivists like Katzenstein who, while a rationalist HI scholar in his earlier work on small European states' political economic responses to international pressures (Katzenstein, 1985), turns into a constructivist SI scholar in later work on how interests develop from state identities to structure national perceptions of defense and security issues (Katzenstein, 1996). On the DI side, by contrast, are constructivists who present ideas as more dynamic, that is, as norms, frames, and narratives that not only establish how actors conceptualize the world but also enable them to reconceptualize the world, serving as a resource to promote change through 'structuration' (Wendt, 1987: 359–360). This may occur through international activists' diffusion of international norms in developing countries (e.g., Finnemore, 1996), through European leaders' reconstruction of state identities and ideas about European integration (Risse, 2001), through British leaders' articulation of neo-liberal ideas in Britain (Hay, 2001), or through the social activists of the 'Save the Whale' movement's discourse, which was extremely effective in a relatively short span of time in moving ideas about

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whales from nasty, dangerous creatures (as Moby Dick) to endangered species worthy of protection and even affection (as Moby Doll) (Epstein, 2008).

Discursive institutionalist scholars who engage with the SI tradition, then, like SI scholars, also speak the language of cultural framing, ideas, and discourse. It is just that they ensure that these are more dynamic and, thereby, better able to explain institutional change (and continuity).

Importantly, the constructivist DI scholars go beyond the SI scholars who put ideas into cultural context to put them into their 'meaning' context as well, that is, by treating ideas as empirical subjects to be studied in their own right (e.g., Kjaer and Pedersen, 2001; Hay, 2006). And such meaning contexts constitute very different kinds of institutions from those of RI, HI, and SI.

For the three older neo-institutionalisms, institutions are structures external to agents that constitute rules about acting in the world that serve mainly as constraints – whether by way of rationalist incentives that structure action, historical paths that shape action, or cultural norms that frame action. For DI, by contrast, institutions are internal to sentient agents, serving both as structures (of thinking and acting) that constrain action and as constructs (of thinking and acting) created and changed by those actors. This internal capacity to create and maintain institutions derives from agents' '*background ideational abilities*' (Schmidt, 2008). This is a generic term for what Searle (1995) defines as the 'background abilities' which encompass human capacities, dispositions, and know-how related to how the world works and how to cope with it; or for what Bourdieu (1990: 11) describes as the '*habitus*' in which humans beings act 'following the intuitions of a "logic of practice"'. But the psychology of cognitive dissonance is also relevant here, which shows that people generally act without thinking and only become conscious of the rules that might apply if they are in contradiction (Harmon-Jones and Mills, 1999). These background ideational abilities underpin agents' ability to make sense in a given meaning context, that is, to 'get it right' in terms of the ideational rules or 'rationality' of a given discursive institutional setting.

But how, then, do we theorize about the process through which sentient agents 'get it right' or, better, manage to bring about change in the ideational rules? Theoretical approaches in DI on how to plot change in ideas remain underdeveloped, despite much empirical analysis on changes in ideas. The most popular theories of ideational change, those that focus on paradigm shifts, are arguably the most problematic in this instance. This is mainly because, however evocative the concept of paradigm shift may be as a metaphor for change, the theory itself has problems similar to the HI critical juncture literature. It fails to specify closely enough the process of ideational change, that is, how old ideas fail and new ideas come to the fore, the reasons for ideational change, that is, why certain ideas are taken up rather than others, and the timing of ideational change, since paradigm-theory's emphasis on abrupt shifts in ideas rules out not only evolutionary change but also revolutionary change in ideas that is not abrupt (Skogstad and Schmidt, n/a). One promising way forward is to build on the work of discourse analysts

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(e.g., Howarth *et al*., 2000; Kjaer and Pedersen, 2001) who theorize the process of ideational change by showing how different elements may be added to ideas, thereby bringing about change in ideas incrementally even in times of stability, and not just at critical junctures during 'paradigm' shifts (see Carstensen, n/a).

There is one final problem with this focus on ideas, which is that we have yet to fully explain the dynamics of institutional change. Although concentrating on ideas gets us closer to why institutional changes occur, they still don't explain how such institutional changes occur, that is, how the ideas themselves promote institutional change. For this, however, we need to consider another aspect of discursive institutionalism, which is the interactive side of discourse. How ideas are generated among policy actors and communicated to the public by political actors through discourse is the key to explaining institutional change (and continuity).

Discourse as interactive process and the three older new institutionalisms

Most of the DI scholars just discussed tend to deal mainly with ideas, leaving the interactive processes of discourse implicit as they discuss the 'carriers' of ideas who generate, deliberate, and legitimize ideas within given institutional contexts. Other DI scholars, however, have gone farther to formalize the interactive processes of ideas generation, deliberation, and legitimization. Some use the term discourse for this, despite the fact that many political scientists avoid what sometimes conjures up exaggerated visions of 'post-structuralists' or post-modernists who, they (often unfairly) assume, consider words without deeds, text without context. The term itself, however, used generically to describe not only what is said, or the ideas that are the substantive content of discourse, but also who said what to whom where and why, as the interactive processes of discourse in the coordinative policy sphere and the communicative political sphere, is of great help in explaining the dynamic processes of institutional change (see Schmidt, 2008).

Without discourse, understood as the exchange of ideas, it is very difficult to explain how ideas go from individual thought to collective action. We don't, after all, know what people are thinking or why they act the way they do until they say it. And we don't for the most part engage in collective action or in collective (re)thinking of our actions without the articulation, discussion, deliberation, and legitimization of our ideas about our actions. This is why, in addition to the background ideational abilities that explain the internal processes by which institutions are created and maintained, we need to identify the '*foreground discursive abilities*' through which sentient agents may change (or maintain) their institutions following a logic of communication (Schmidt, 2008). This is a generic term for what Habermas (1996) calls 'communicative action', and it is at the basis of theories about deliberative and discursive democracy (e.g., Dryzek, 2000), about public debate (Art 2006), as well about coordinative discourses of policy construction and communicative discourses of political communication (Schmidt, 2002, 2006).

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These foreground discursive abilities are essential to explaining institutional change, because they refer to peoples' ability to think outside the institutions in which they continue to act, to talk about such institutions in a critical way, to communicate and deliberate about them, to persuade themselves as well as others to change their minds about their institutions, and then to take action to change them, whether by building 'discursive coalitions' for reform against entrenched interests in the coordinative policy sphere or informing and orienting the public in the communicative political sphere. Conveying 'good' policy ideas through a persuasive discourse helps political actors win elections and gives policy actors a mandate to implement their ideas.

Scholars in the SI tradition have little difficulty with this approach to discourse, especially since discourse analyses of all kinds are loosely seen as part of SI (e.g., Bourdieu, 1990; Campbell and Pedersen, 2001; Campbell, 2004). Moreover, even when the word 'discourse' is not used, DI scholars in the SI tradition often elucidate its interactive effects, as in recent work on 'contentious politics' (e.g., Aminzade *et al*., 2001), which weds organizational and social movements theory, adding ideas about threat to RI and HI opportunity structures, emotions to RI instrumentality on the nature of protest, and a focus on ideational leadership, among other things. Equally importantly, the case studies offer evidence of how leaders, social movement activists, and the everyday public spur change through ideas that persuade through discourse.

Scholars in the HI tradition also have little difficulty with discourse, since DI can add dynamics to the historical processes of ideational change, by focusing on who talks to whom where and when. By the same token, however, HI can add insight into DI, by describing the formal institutional contexts that shape interactive patterns of discourse. Institutional setting, for example, helps explain why simple polities like France and the UK, in which reform agendas are generally decided by a restricted elite, tend to have more elaborate communicative discourses to the public – so as to legitimate those reforms – than in compound polities like Germany and Italy, which tend to have more elaborate coordinative discourses among policy actors – so as to reach agreement among the much wider range of actors involved in negotiating reform (Schmidt, 2000, 2002, 2006). The HI context could alternatively be seen to shape different forms of deliberative governance processes, with top-down governance patterns combined with adversarial interactions leading to traditional interest group politics, participatory governance with collaborative interactions leading to 'empowered participatory governance' (Fung and Wright, 2003).

Scholars in the RI tradition have the greatest difficulty dealing with the interactive process of discourse, or taking the exchange of ideas in public debates seriously, because talk is by definition 'cheap' while instrumental actions 'speak more loudly than words'. One example should suffice in illustration: In his 'analytic narrative' of the 1896 National Democratic Convention, Bensel (2005) notes that RI can easily explain the 'well-structured game' to make the silver standard the main plank of the

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party program but dismisses out of hand the possibility of explaining the presidential nomination of William Jennings Bryan, because of the contingency of the nomination and the 'role of passion' which ensured that 'what happened remains in the domain of the art of politics' (Bensel, 2005: 45–47). But is it not possible that Bryan's nomination was at least in part due to his ability to put into words what delegates thought about the 'cross of gold' in a way that resonated with their values? Can't the substance of ideas matter, in other words, as part of the persuasive power of discourse? Levi (2006), in her presidential address at the American Political Science Association, tacitly acknowledges this when she calls for research on leaders' communication because leaders have 'the power to inspire change…the capacity to change constituents' beliefs' (Levi, 2006: 12–13) – although she never engages with DI work on leadership, discourse, or deliberative democracy.

Rational-choice institutionalism's problems with ideas, discourse, and deliberation follow from its restricted definition of agency and rationality. In RI, agents are rational in an unthinking manner, meaning that they respond to incentive structures in ways so as to maximize their interests (expected utility), pursuing their goals in accordance with their beliefs about the facts. In DI, agents are rational in a thinking manner: they also pursue their goals in accordance with their beliefs about the facts but – as already noted – they are not only able to think, say, and act but also to think about their thoughts, reflect upon their actions, state their intentions, alter their actions as a result of their thoughts about their actions, and say what they are thinking of doing and change their minds in response to persuasion by others regarding what they are thinking, saying, and doing. Such self-consciousness and self-knowledge along with the ability to express it is summed up in the term 'sentient' when used to define agents in DI (scholars also use the term 'reflexive) – by contrast with RI's 'rational' agents.

This distinction between RI and DI approaches to agents is what Petit (2006: 38–47) describes as the difference between the 'decision-theoretic' image of persons, in which interaction is based on manipulation, as agents calculate how they will influence others in order to serve their own interests, and the 'discourse-theoretic' image as found, for example, in Habermas on discourse as 'communicative action' (1996). The problem for RI scholars as a result of their definition of interaction as manipulation is that they cannot explain how one overcomes entrenched interests – that is, ones that cannot be coerced, tricked, or bribed into changing their actions. By contrast, in DI change in interests can come from persuasion, as agents can reason together because they are aware that the other is just as aware as they are about how they might be thinking about their interests in accordance with their beliefs (Petit, 2006: 44–46).

Discursive institutionalist approaches focused on 'deliberative democracy', in particular, have elaborated on such insights related to communicative action. Deliberative democracy is seen to occur when parties are reasonable and use evidence-based arguments to reach agreement, where persuasion is the key to creating shared understandings and building consensus, and in which the process

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itself is based on inclusive, open, trusting, and consensual interaction (Mansbridge, 1983; Bohman, 1996; Dryzek, 2000; Fung and Wright, 2003). Deliberative democracy is considered to be a better form of decision-making because open dialogue may unlock untapped knowledge, generate new skills and know-how, produce higher-quality reasoning for more legitimate policies, and create new, more collaborative interrelationships among the parties to the deliberation (Elster, 1998). But while for some, this is the opposite of the RI view of politics as adversarial (Mansbridge, 1983) and is incompatible with instrumental bargaining – in particular Habermas (1996; see also Risse, 2001), for others, 'arguing' and 'bargaining' can be combined (e.g., Young, 1996), since one can argue to defend one's interests while being strategic in persuading others as to the appropriateness of one's viewpoint (see Holzinger, 2004). Moreover, power and interests cannot easily be eliminated from deliberations in either policy or political spheres (Shapiro, 1999), although being aware of these may help governments to set up institutional arrangements and incentives in deliberative situations to minimize the potential effects of domination (Shapiro, 2003: Ch. 2). Awareness of power and interests or even manipulation is no guarantee of success, however, as evidenced by the case of 'participatory-deliberative public administration' in South Africa, in which civil society groups brought into the official deliberative process had persuasive ideational power only for cases in which they had other power resources as well, such as the ability to mobilize (Baccaro and Papadakis, 2008).

Deliberation on its own, in other words, does not necessarily ensure a more 'democratic' outcome. Power and position do matter. The question is how to define power and position in such a way as to also take account of the power of ideas and discourse. The problem with RI and HI is that they tend to reify questions of power and position by assuming that power is a function of position and that agents' strategic interests derive primarily from their power and position. DI holds instead that power cannot be defined by (objective) position alone, since ideas and values infuse the exercise of power and (subjective) perceptions of position (Lukes, 2005). Moreover, actors can gain power from their ideas even where they may lack the power of position – as in the case of social movements or entrepreneurial actors who set the agenda for reform in policy or political spheres. Power itself, moreover, derives not only from position, meaning actors' ability to wield power, but also purpose, since actors' ideas and discourse about how they can and should wield that power (i.e., not just in their own strategic interests but in the general interest) may reinforce or undermine the power they derive from their position, depending upon the responses of their audience to their stated purposes. This is the essence of political leadership.

Further support for the view that discourse and deliberation are necessary complements to investigations of power, position, and interests also comes from experimental political psychology, which seeks to probe the nature and limits of (RI-defined) human rationality, in particular with regard to 'framing effects'. Framing effects occur when different but logically equivalent phrases cause

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individuals to alter their preferences 'irrationally', for example, when people reject a policy program when told its negative effects (it leads to 5% unemployment) and accept it when told its positive effects (it leads to 95% employment) (Kahneman, 2000; Druckman, 2004). This represents a blow to RI, which assumes total information on the part of rational actors, at the same time that it provides an opening for DI. This is because 'framing effects' are shown to be moderated by 'contextual forces' involving elite competition and 'rhetoric' that result in 'a process of framing and counter-framing' (DI's communicative discourse), interpersonal conversation in heterogeneous groups among citizens (DI's deliberative democracy), or discussions among homogenous groups of experts (DI's coordinative discourse) (Druckman, 2004). This being said, experimental political psychology also demonstrates the limits of deliberative effectiveness and the importance of not idealizing deliberation, given principles of human cognition that point to limited attention spans, cases in which communication may reduce participants' persuasiveness, and the importance of power relationships (Lupia and McCubbins, 1998; Druckman and Lupia, 2006).

One final illustration of the value of DI approaches to the explanation of change (and continuity) comes from the insights it can lend to the debates in political economy on the development of capitalism over the past 30 years, which have been dominated by the three older neo-institutionalisms (see Schmidt, 2009b). A DI analysis of these debates shows not only that particular ideas are embedded in the very analytic frameworks of these neo-institutionalist approaches but also that neo-institutionalist scholars actually use these approaches as part of discursive strategies to propound their own particular normative views of capitalism. For example, RI accounts of capitalism tend to present convergence to a single neo-liberal model as inevitable, given the structures of economic incentives that lead all economic actors to respond (rationally) in one way alone (e.g., Cerny, 1994). For those RI scholars in favor of a neo-liberal model, but also for those opposed, these ideas form the basis of a normative discursive strategy focused on getting people to accept, or revolt against, this inevitability. HI accounts of capitalism (in particular where they combine with RI) do not just make things appear inevitable, they make them seem inexorable when they argue for divergence to two varieties of capitalism based on the differing path-dependent logics of coordination of liberal market economies and coordinated market economies (e.g., Hall and Soskice, 2001). HI scholars who propound this binary view of capitalism tend to be opposed to neo-liberal capitalism, and are engaged in a normative discursive strategy focused on getting people to accept the validity of two ways, not one, of being capitalist. SI accounts of capitalism dispute both the inevitability of neo-liberal convergence and the inexorability of binary market divergence since they present national forms of capitalism as culturally embedded and therefore incomparable (e.g., Crouch, 2005). This is in itself part of a normative discursive strategy to resist attempts to impose any kind of internationalized order on national economies.

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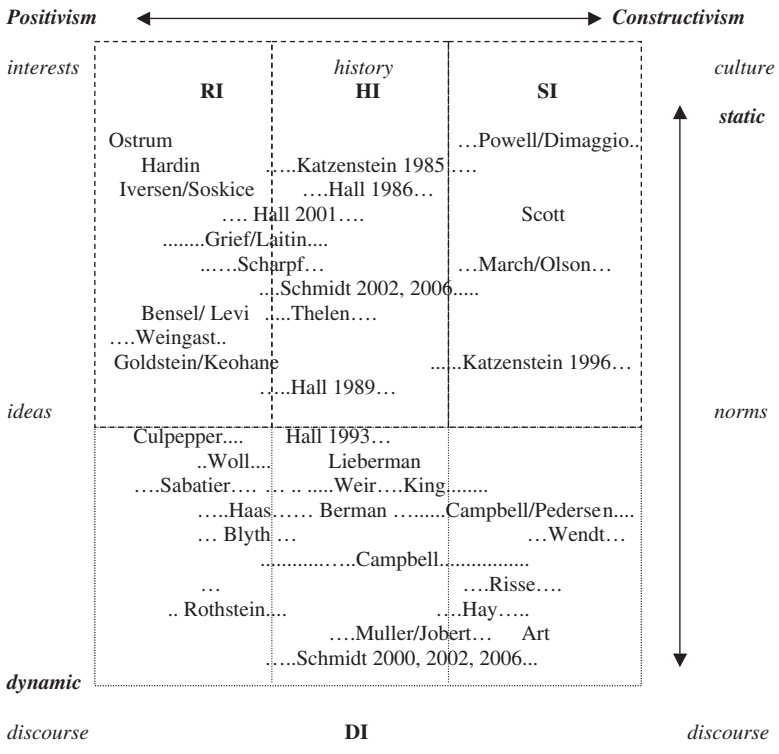


Figure 1 Scholars' use of the four new institutionalisms: rational choice institutionalism (RI), historical institutionalism (HI), sociological institutionalism (SI), and discursive institutionalism (DI).

And what kinds of ideas and normative discourse are embedded in DI accounts of capitalism, then? That there is nothing inevitable about the neo-liberal model or anything inexorable about a binary split in varieties or incomparable about culturally embedded forms of capitalism. DI leaves the future open to new ideas conveyed by discourse, since it shows that rationalist logics, historical path-dependencies, and cultural frames are conditional on public choices that result not just from the power clash among interests, the prerogatives of position, or the scripts of culture but from the battle of ideas through discourse and deliberation. The current economic meltdown demonstrates better than anything the ideational underpinnings to one, two, and many views of capitalisms.

Conclusion

In summary, while some scholars have moved from one of the older neo-institutionalisms to DI, others straddle institutionalisms, and yet others remain squarely within one or another institutionalist approach. To get a sense of how all of this fits together in a very general way, Figure 1 situates many of the scholars'

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works cited above within each of the four institutionalisms while arraying these along a horizontal continuum from positivism to constructivism – going from interests to culture, with history in between – and along a vertical continuum from statics to dynamics, with interests, history, and culture at the static end, ideas and discourse at the dynamic end (see Figure 1). HI sits between RI and SI, mainly because RI and SI are largely incompatible, whereas HI can go to either side when it adds agency. DI comes underneath all three because, although it is distinctive, it can rest upon the insights of any one of the three and because scholars often see themselves as continuing to fit into one or another of the traditions even as they cross the line into DI.

This leaves us with one final question: what is the value-added of approaches that take ideas and discourse seriously, by contrast with the other three new institutionalisms? DI endogenizes change, explaining much of how and why public actors bring about institutional change through public action. With regard to the other institutionalisms, moreover, the discursive approach helps to explain the actual preferences and strategies of actors in RI and HI, and it helps to explain changes in the normative orientations emphasized by SI. Where DI can go wrong is when it considers ideas and discourse to the exclusion of issues of power (read RI instrumental rationality) and position (read HI institutional structures), when it assumes that DI deliberation necessarily trumps RI manipulation, or when it over-determines the role of ideas and discourse by forgetting that 'stuff happens' or that historical institutions and cultural frames affect the ways in which ideas are expressed and discourse conveyed. We should not forget that ideas and discourse that seek to promote change often have little effect on the crystallized ideas about rationalist interests and cultural norms or on the frozen landscapes of rationalist incentives, historical paths, and cultural frames. The research agenda for DI, therefore, should not just be to seek to convince political scientists theoretically that ideas and discourse matter – by now all neo-institutionalists seem to have accepted this to some degree – but to show empirically how, when, where, and why ideas and discourse matter for institutional change, and when they do not.

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