

## A Theory of Gradual Institutional Change

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Once created, institutions often change in subtle and gradual ways over time. Although less dramatic than abrupt and wholesale transformations, these slow and piecemeal changes can be equally consequential for patterning human behavior and for shaping substantive political outcomes. Consider, for example, the British House of Lords. This is an institution that began to take shape in the thirteenth century out of informal consultations between the Crown and powerful landowners. By the early nineteenth century, membership was hereditary and the chamber was fully institutionalized at the center of British politics. Who would have thought that this deeply undemocratic assembly of aristocrats would survive the transition to democracy? Not the early Labour Party, which was founded in 1900 and understandably committed to the elimination of a chamber from which its constituents were, more or less by definition, excluded.

We are grateful to the participants in the Workshop on “Explaining Institutional Change: Ambiguity, Agency, and Power in Historical Institutionalism” at Northwestern University in October 2007. The empirical chapters presented at that event, and the stimulating discussions they provoked, provided the inspiration for many of the ideas laid out in this chapter. For subsequent written comments on this essay, we thank Tulia Falleni, Peter Hall, Alan Jacobs, Adam Sheingate, Theda Skocpol, and Dan Slater. We benefited as well from valuable input from Suzanne Berger, Nancy Berneo, Giovanni Capoccia, Bruce Carruthers, Edward Gibson, Desmond King, Richard Locke, Ann Orloff, Paul Pierson, Dick Samuels, Ben Schneider, and the participants in the Comparative Historical Social Science workshop at Northwestern University and in seminars at Oxford University and M.I.T.

Yet Labour did not dismantle the House of Lords – despite recurring opportunities to do so during the twentieth century. Instead, the institution was reformed over time in a series of more measured moves that, successively: circumscribed its powers (especially in 1911 by a Liberal Party government), altered its composition (especially in 1958 under a Conservative government, with the addition of life peerages), and rendered it less unwieldy and – in the eyes of some – more legitimate (in 2000 under a Labour government, by reducing dramatically the number of hereditary peers). The cumulative effects of these changes have allowed the chamber not just to survive but to position itself as a significant player in, of all things, the defense of civil liberties in Britain (*The Economist*, February 11, 2006, 51). This is quite a change – from undemocratic bastion of traditional interests to champion of individual rights – and it illustrates that incremental shifts often add up to fundamental transformations.

While institutional analysis has earned a prominent place in contemporary social science, the vast literature that has accumulated provides us with precious little guidance in making sense of processes of institutional change such as occurred in Britain's House of Lords. We have good theories of why various kinds of basic institutional configurations – constitutions, welfare systems, and property right arrangements – come into being in certain cases and at certain times. And we have theories to explain those crucial moments when these institutional configurations are upended and replaced with fundamentally new ones. But still lacking are equally useful tools for explaining the more gradual evolution of institutions once they have been established. Constitutions, systems of social provision, and property right arrangements not only emerge and break down; they also evolve and shift in more subtle ways across time. These kinds of gradual transformations, all too often left out of institutionalist work, are the focus of this volume.

In the literature on institutional change, most scholars point to exogenous shocks that bring about radical institutional reconfigurations, overlooking shifts based on endogenous developments that often unfold incrementally. Indeed, these sorts of gradual or piecemeal changes often only “show up” or “register” as change if we consider a somewhat longer time frame than is characteristic in much of the literature. Moreover, when institutions are treated as causes, scholars are too apt to assume that big and abrupt shifts in institutional forms are

more important or consequential than slow and incrementally occurring changes. As the chapters in this book show, these conclusions are in need of fundamental rethinking. Gradual changes can be of great significance in their own right; and gradually unfolding changes may be hugely consequential as causes of other outcomes.

An emerging body of work provides ideas on which we can build to understand gradual institutional change. New insights have grown out of the literature on path dependence and the ensuing debate over this framework (e.g., North 1990; Collier and Collier 1991; Arthur 1994; Clemens and Cook 1999; Mahoney 2000; Pierson 2004; Thelen 1999, 2004). Among other things, this work has led analysts to theorize the circumstances under which institutions are – and are not – subject to self-reinforcing “lock-in.” Important strands of this literature suggest that path-dependent lock-in is a rare phenomenon, opening up the possibility that institutions normally evolve in more incremental ways. Likewise, works such as Pierson's *Politics in Time* (2004) discuss various slow-moving causal processes (e.g., cumulative causes, threshold effects, and causal chains) that do not evoke the punctuated equilibrium model of change that is frequently embedded in conceptualizations of path dependence (see also Aminzade 1992; Abbott 2001). Inspired by these works, Sreeck and Thelen (2005) have offered an inventory of commonly observed patterns of gradual institutional change that allows us to classify and compare cases across diverse empirical settings.

If theorizing is going to reach its potential, however, institutional analysts must go beyond classification to develop causal propositions that locate the sources of institutional change – sources that are not simply exogenous shocks or environmental shifts. Certain basic questions must be addressed. Exactly what properties of institutions permit change? How and why do the change-permitting properties of institutions allow (or drive) actors to carry out behaviors that foster the changes (and what are these behaviors)? How should we conceptualize these actors? What types of strategies flourish in which kinds of institutional environments? What features of the institutions themselves make them more or less vulnerable to particular kinds of strategies for change? Answering these basic questions is a critical next step if scholars are to theorize the sources and varieties of endogenous institutional change.

In this chapter, we advance answers to these questions. We begin by noting that all leading approaches to institutional analysis – sociological institutionalism, rational-choice institutionalism, and historical institutionalism (Hall and Taylor 1996) – face problems in explaining institutional change. We then consider how a power-distributional approach to institutions, common in historical institutionalism and present as well in some strands of sociological and rational-choice institutionalism, provides a basic motor for change. To account for actual change, however, this power-distributional approach needs to be supplemented with attention to issues of compliance going well beyond the usual concern for *level* or *extent* of compliance. We argue that institutional change often occurs precisely when problems of rule interpretation and enforcement open up space for actors to implement existing rules in new ways. Expanding our focus to include these concerns allows us to observe and theorize forms of incremental change that are routinely overlooked in most institutional analysis.

Our discussion culminates in the presentation of a new model of institutional change. The model elaborates a set of propositions that link particular modes of incremental change to features of the institutional context and properties of institutions themselves that permit or invite specific kinds of change strategies and change agents. The model sees variations in institutional properties as encouraging different types of change strategies, which are in turn associated with distinctive change agents who work to foster specific kinds of incremental change.

### The Challenge of Explaining Change

Despite many other differences, nearly all definitions of institutions treat them as *relatively enduring* features of political and social life (rules, norms, procedures) that structure behavior and that cannot be changed easily or instantaneously. The idea of persistence of some kind is virtually built into the very definition of an institution. This is true for sociological, rational-choice, and historical-institutional approaches alike. The connection between institutions and persistence makes it natural for all of these approaches to focus on explaining continuity rather than change. Nevertheless, the three major institutional approaches do vary in subtle ways in how they conceive of institutions and this turns out to have important implications for their ability to theorize institutional change.

*The Common Problem: A Focus on Stability and Exogenous Shocks*  
Sociological institutionalism considers a broad range of institutions, focusing attention on noncodified, informal conventions and collective scripts that regulate human behavior. Definitions of institutions in this tradition routinely spotlight their self-reproductive properties. For example, according to Powell (1991, 197), “Things that are institutionalized tend to be relatively inert, that is, they resist efforts at change”; for Jepperson (1991, 145), “Institutions are those social patterns that, when chronically reproduced, owe their survival to relatively self-activating processes.” For some scholars in this broad tradition, institutions are tied to codes of appropriateness, and reproduction occurs as actors are socialized or otherwise learn to follow them (March and Olsen 1984). For others, the self-reproducing properties of institutions are cognitive in nature; institutions may be so routine and “taken for granted” that they are beyond conscious scrutiny (Berger and Luckmann 1967; Zucker 1983, 2). In addition, sociological institutionalists argue that actors often reproduce the same institutional logic across various domains. With organizations, for instance, new organizational forms are “isomorphic” with (i.e., similar to or compatible with) existing organizations (DiMaggio and Powell 1983; Dobbin 1994; Scott 1995). Actors carry their existing scripts forward when building new institutions even when doing so is not “efficient.”

While quite powerful as tools for explaining continuity, the mechanisms of perpetuation used in sociological institutionalism provide few clues about possible sources of endogenous change. If a convention is reified, how might it change? If isomorphism encourages new institutions to take the same form as old ones, where is the locus of dynamism and innovation? To explain transformation, therefore, sociological institutionalists often point to an exogenous entity or force – for example, new interpretive frames imported or imposed from the outside (e.g., DiMaggio and Powell 1983; Hannan and Freeman 1989) or the evolution of broader political, legal, and market “fields” (Fligstein 1996). Studies of change in this genre often provide very compelling accounts in which new actors manage to unsettle dominant practices or scripts and impose their preferred alternatives (e.g., Zorn et al. 2008). But what such accounts typically omit is a set of general propositions about what properties of institutional scripts make some of them, at some times, more vulnerable than others to this type of displacement.

Rational-choice institutionalists also face quandaries when confronted with institutional change. As Levi (2008) points out, "Rationalists have long recognized the importance of understanding equilibrium change, but their analyses have generally involved comparative statics rather than a more dynamic approach" (see also Weingast 2002, 692). The basic difficulty here is related to a view of institutions as coordinating mechanisms that sustain particular equilibria (Shepsle 1989, 145; Calvert 1995, 218; Levi 1997, 27). As Greif and Laitin put it, "A self-enforcing institution is one in which each player's behavior is a best response. The inescapable conclusion is that changes in self-enforcing institutions must have an exogenous origin" (2004, 633; see also Bates et al. 1998, 8). This perspective has an obvious affinity to punctuated equilibrium models of institutional change. But such models tend to draw a sharp line between the logic (and analysis) of institutional reproduction and that of change, and thus make it difficult to conceptualize and theorize gradual processes of endogenous change.

Greif and Laitin's (2004) work represents one of the most explicit efforts to deal with the problem from a rational-choice perspective. The analysis they offer stresses indirect institutional effects – or "feedback effects" – that either expand or reduce the set of situations in which an institution is self-enforcing; thus, their solution to thinking about endogenous change is to redefine (some) of the exogenous parameters as endogenous variables (i.e., "quasi-parameters"). Greif and Laitin can in this way account for the stability (or breakdown) of different institutional equilibria (their cases address the decline versus the resiliency of social order in Venice and Genoa and the decline versus persistence of ethnic cleavages in Estonia and Nigeria). But their framework does not make clear how scholars would be able, *ex ante*, to distinguish quasi-parameters from parameters, or to identify which quasi-parameters are more likely to be affected by the operation of the institution.

Historical institutionalists have also grappled with the problem of institutional change. And they have also traditionally stressed continuity over change. Much of the empirical work on path dependence, for example, has been organized around explaining the persistence of particular institutional patterns or outcomes, often over very long stretches of time (for literature reviews, see Mahoney 2000; Pierson 2004; Thelen 2004). While historical institutionalists acknowledge the

cultural components of institutions, as well as the coordinating functions that institutions may perform, these scholars view institutions first and foremost as the political legacies of concrete historical struggles. Thus, most historical institutionalists embrace a power-political view of institutions that emphasizes their distributional effects, and many of them explain institutional persistence in terms of increasing returns to power.

When it comes to explaining change, historical institutionalists frequently call attention to "critical junctures," often understood as periods of contingency during which the usual constraints on action are lifted or eased (Capocchia and Kelemen 2007). Explanations of change focusing on such episodes are sometimes also linked to arguments about the relative weight of agency versus structure in various phases. Ira Katznelson, for example, sees institutions as mostly constraining in periods of "stable" politics, but argues that critical junctures open up opportunities for historic agents to alter the trajectory of development (Katznelson 2003).

In other words, in the historical-institutionalist literature, too, scholars have tended to fall back on a discontinuous model of change in which enduring historical pathways are periodically punctuated by moments of agency and choice. These arguments thus often have the same drawbacks as discussed earlier for other punctuated equilibrium models, obscuring endogenous sources of change and encouraging us to conceive of change as involving the "breakdown" of one set of institutions and its replacement with another.

All three varieties of institutionalism, in short, provide answers to what sustains institutions over time as well as compelling accounts of cases in which exogenous shocks or shifts prompt institutional change. What they do not provide is a general model of change, particularly one that can comprehend both exogenous and endogenous sources of change.

### *Institutional Stability as a Political Problem and a Dynamic*

#### *Political Outcome*

If institutions are changed not just in response to exogenous shocks or shifts, then their basic properties must be defined in ways that provide some dynamic element that permits such change. The foundation on which we build here is one that conceives institutions above all else as

*distributional instruments* laden with power implications (Hall 1986; Skocpol 1995; Mahoney 2010; see also Hall [this volume]). As noted, this view of institutions is commonplace in historical institutionalism but it is also consistent with some rational-choice perspectives that emphasize power over cooperation (e.g., Knight 1992; Acemoglu, Johnson, and Robinson 2005; Moe 2005), as well as some sociological accounts that focus on the political-distributional underpinnings of specific cultural or normative practices (e.g., Stinchcombe 1987, Fligstein forthcoming). In our approach, institutions are fraught with tensions because they inevitably raise resource considerations and invariably have distributional consequences. Any given set of rules or expectations – formal or informal – that patterns action will have unequal implications for resource allocation, and clearly many formal institutions are specifically intended to distribute resources to particular kinds of actors and not to others. This is true for precisely those institutions that mobilize significant and highly valued resources (e.g., most political and political-economic institutions).

Existing work has drawn out many implications of this conceptualization for understanding institutional genesis and continuity. Concerning genesis, actors with different endowments of resources are normally motivated to pursue the creation of different kinds of institutions. And the institutions that are actually created often reflect the relative contributions of – and often conflict among – these differentially motivated actors. In some cases, the power of one group (or coalition) relative to another may be so great that dominant actors are able to design institutions that closely correspond to their well-defined institutional preferences. But institutional outcomes need not reflect the goals of any particular group; they may be the unintended outcome of conflict among groups or the result of “ambiguous compromises” among actors who can coordinate on institutional means even if they differ on substantive goals (Schickler 2001; Palier 2005).

For these reasons, there is nothing automatic, self-perpetuating, or self-reinforcing about institutional arrangements. Rather, a dynamic component is built in; where institutions represent compromises or relatively durable though still contested settlements based on specific coalitional dynamics, they are always vulnerable to shifts. On this view,

change and stability are in fact inextricably linked. Those who benefit from existing arrangements may have an objective preference for continuity but ensuring such continuity requires the ongoing mobilization of political support as well as, often, active efforts to resolve institutional ambiguities in their favor (Thelen 2004). Dan Slater’s analysis (this volume) of the stability of authoritarianism in Indonesia under Suharto is an excellent case in point. The phenomenal durability of this regime was not a matter of self-enforcement or even of increasing returns to power; rather, this outcome depended on the active creation and nurturing of (over time, different) coalitions and institutional supports for the regime. Ironically, as Slater shows, the political balancing that allowed Suharto to concentrate autocratic power paved the way for later regime collapse by compromising the independent coercive capacities of the co-opted institutions and organizations.

Given a view of institutional stability that rests not just on the accumulation but also on the ongoing mobilization of resources, one important source of change will be shifts in the balance of power (e.g., Knight 1992, 145, 184; Thelen 1999). This can happen in straightforward ways as, for instance, through changes in environmental conditions that reshuffle power relations. Beyond this, however, a number of scholars have drawn attention to less obvious aspects of such shifts, emphasizing for example that actors are embedded in a multiplicity of institutions, and interactions among them may allow unforeseen changes in the ongoing distribution of resources. Resource allocations from one set of institutions may shape the outcomes of distributional conflicts over resource allocations connected to a different set of institutions. Pierson and Skocpol (2002, 696) note the importance of hypothesizing “about the combined effects of institutions and processes rather than examining just one institution or process at a time.” Actors disadvantaged by one institution may be able to use their advantaged status vis-à-vis other institutions to enact change.

Other strands of scholarship in this broad tradition examine how the expected operation of institutions itself sometimes generates pressures for change. This can occur if the over-time distributional effects of institutions trigger divisions among institutional power holders. Or change can occur if institutions disadvantage subordinate groups to the point that they organize and come to identify with one another, thereby

increasing their power and capacity to break prevailing institutional arrangements. Between them, these two possibilities correspond to the themes of “divided elites” and “united subordinate groups” that are sometimes emphasized in explanations of change (e.g., Yashar 1997).

### *Compliance as a Variable in the Analysis of Institutional Change*

Beyond balance-of-power shifts (either exogenous or endogenously generated through feedback effects), we especially call attention to forms of change that are linked to issues of *compliance*. On this point there is a rather important difference between the power-distributional perspective of institutions we are advancing here and some prominent alternatives discussed earlier. In some versions of sociological institutionalism, for example, compliance and enforcement appear to be nonissues. If institutions involve cognitive templates that individuals unconsciously enact, then actors presumably do not think about not complying.<sup>1</sup> In fact, it is their very taken-for-grantedness that makes these institutions self-enforcing. In rationalist accounts, sanctions and monitoring do play a role as mechanisms to prevent free riding and promote collective action (Ostrom 1990). However, in much of this work, compliance is built into the definition of the institution under consideration. In other words, what institutions *do* is stabilize expectations (among other ways, by providing information about the probable behavior of others), and thus enforcement is endogenous in the sense that the expected costs and extent of noncompliance are factored into the strategic behavior of the actors in a particular institutional equilibrium (North 1990, 1993).

If, instead, we break with a view of institutions as self-reinforcing (through whatever mechanism) and put distributional issues front and center, compliance emerges as a *variable*, and a variable that is crucially important to the analysis of both stability and change. The need to enforce institutions carries its own dynamic of potential change, emanating not just from the politically contested nature of institutional rules but also, importantly, from a degree of openness in the interpretation and implementation of these rules. Even when institutions are

<sup>1</sup> We owe this insight regarding compliance and its different valence in different varieties of institutionalism to Wolfgang Streeck, who made these points at a workshop on institutions held in Italy in 2006.

formally codified, their guiding expectations often remain ambiguous and always are subject to interpretation, debate, and contestation.<sup>2</sup> It is not just that unambiguous rules are enforced to greater and lesser degrees. Rather, struggles over the meaning, application, and enforcement of institutional rules are inextricably intertwined with the resource allocations they entail.

In many cases, there is simply a great deal of “play” in the interpreted meaning of particular rules or in the way the rules are instantiated in practice. This view parts ways with power-oriented rationalist accounts like that of Knight, who acknowledges the ambiguity of rules as a site of conflict but who assumes that such ambiguity will decline over time (1992, 76, 186) or be resolved through the formalization of the rules (1992, 176) or both. We see ambiguity as a more permanent feature, even where rules are formalized. Actors with divergent interests will contest the openings this ambiguity provides because matters of interpretation and implementation can have profound consequences for resource allocations and substantive outcomes. As abortion politics in the United States (associated with the defense of “individual rights” and attached to different beliefs on when “life” is taken to begin) amply demonstrates, competing interpretations of one and the same rule can mobilize quite different coalitions (see also Weir 1992). Coalitions form not only as representatives of alternative institutions but also as movements seeking particular interpretations of the ambiguous or contested rules of a given institution.

Existing historical-institutional work and especially the contributions in this volume suggest several implications that follow from treating compliance as a variable in this expanded sense. First, compliance is inherently complicated by the fact that rules can never be precise enough to cover the complexities of all possible real-world situations. When new developments confound rules, existing institutions may be changed to accommodate the new reality. These changes can involve rule creation, or they may simply entail creative extensions of existing rules to the new reality. This insight and its implications for institutional change are underscored by Adam Sheingate’s contribution to

<sup>2</sup> The ambiguity of institutional rules is also a theme in a recent edited volume by Skowronek and Glassman (2007). Beyond the introduction by the editors, see especially the essays by Sheingate (2007) and Carpenter and Moore (2007) in that volume.

this volume. Sheingate's analysis focuses on key changes in the rules governing the U.S. Congress. He challenges a large body of work that sees congressional rules as mechanisms that allow actors to coordinate among themselves – above all, to credibly commit to one another to achieve joint gains (Weingast and Marshall 1988). Such accounts presuppose unambiguous rules; differences in the content of rules produce different equilibrium outcomes.

By contrast, Sheingate sees rules as ambiguous and therefore themselves the objects of political skirmishing. While these rules certainly establish important constraints on action, Sheingate emphasizes that they are not unequivocal. The ambiguities they embody provide critical openings for creativity and agency; individuals exploit their inherent openness to establish new precedents for action that can “transform the way institutions allocate power and authority” (Sheingate, this volume). Through three episodes of institutional change, Sheingate shows how actors devised new applications and interpretations of old rules in order to bend outcomes in their preferred direction. In each instance, the new interpretation had massively important implications for congressional decision-making structures, in particular for the relative power of the Speaker of the House and minorities within the legislature.

A second, closely related point concerns the cognitive limits of actors themselves: Even when institutional rules have been created to accommodate relatively complex situations, actors face information-processing limitations and certainly cannot anticipate all of the possible future situations in which rules written now will be implemented later. The account in this volume by Alan Jacobs of the development of U.S. Social Security provides a case in point. He shows that FDR initially devised the idea of contributory financing on which the system was based as a way of fending off the challenges that elites at that time faced from populists. Contributory financing made it impossible for politicians to expand the program recklessly in response to populist urges. Years later, long after the populist threat had waned, these same provisions provided an unanticipated safeguard against conservative retrenchment. As Jacobs emphasizes, the contributory principle contained within it multiple moral and political logics, not all of which were anticipated by its designers but which later proved crucial to

the (changing) coalitions that both sustained and reshaped this set of institutions over the longer run.

Third, institutions are always embedded in assumptions that are often only implicit. Emile Durkheim's notion of “the non-contractual basis of contracts” points to these implicit understandings held by the relevant community that are necessary for rules to have efficacy. Such shared understandings may exist to differing degrees and may themselves shift over time, which can often trigger a *de facto* institutional change even though formal rules remain intact. This is a major message of Ato Onoma (this volume), who notes that in the absence of such shared understandings, institutional “predators” can systematically undermine rules by exploiting their letter while violating their spirit. Here we need to recognize that institutional stability ultimately depends not only on continuity in the rules themselves but also on the ways in which those rules are instantiated in practice (Hacker 2005; Streeck and Thelen 2005).

Fourth, the fact that rules are not just designed but also have to be applied and enforced, often by actors other than the designers, opens up space (as both an analytic and a practical matter) for change to occur in a rule's implementation or enactment. Robert Lieberman (2006) has provided an excellent example of this in his analysis of equal opportunity/affirmative action legislation in the United States. Lieberman documents that the provision in the 1964 Civil Rights Act that created the Equal Employment Opportunity Commission (EEOC) was deeply contested and nearly failed. A political compromise, the version that Congress did pass was weak in the extreme, more or less by design. Once enacted, however, bureaucrats charged with the implementation and enforcement of the legislation worked with civil rights groups to bring cases to courts, which then, through expansive interpretations of the law, stretched the parameters and scope of the legislation. The result was to transform a weak legislative rule into one of the strongest affirmative action regimes in the world. The general point is that enforcers must decide how and when rules are to be implemented, and this implies possibilities for change – in both directions as it were, either through “slippage” or through expansive interpretations and applications. Actors such as the bureaucracy and the judiciary, charged with implementation, interpretation, and

enforcement, have large roles to play in shaping institutional evolution (see also Carperter 2001).

In short, we propose that the basic properties of institutions contain within them possibilities for change. What *animates* change is the power-distributional implications of institutions. However, where we expect incremental change to emerge is precisely in the “gaps” or “soft spots” between the rule and its interpretation or the rule and its enforcement. This is an analytic space that other conceptions of institutions (as behaviors in equilibrium, or as scripts) essentially rule out by definition, but as a practical matter this is exactly the space in which contests over – and at the same time within – institutions take place (Thelen 2009).

The emphasis on compliance also opens new avenues for theorizing the actors and the coalitions that drive institutional change. Clearly, institutional “winners” and “losers” have different interests when it comes to interpreting rules or dedicating resources to their enforcement. But more important for the analysis of institutional change, compliance problems can blur the lines between winners and losers. When the enforcement of an institution is contested and uncertain, or when the meaning of an institution is undecided, an actor’s interest in institutional continuity may be equivocal and mutable. As the meaning and enactment of an institution change, so too may actor preferences. Putting issues of compliance at center stage, then, forces us to think about the distributional effects of institutions in more complicated ways than simply “winners” and “losers.” New categories that go beyond this simple dichotomy must be created to depict and analyze the actors, coalitional patterns, and political conflicts that drive the politics of institutional change. Carrying out this conceptual work is among the tasks we pursue in the next section.

### Explaining Patterns of Institutional Change

A distributional approach suggests that dynamic tensions and pressures for change are built into institutions. However, the approach does not itself specify the different modes of change that such dynamism permits or unleashes. Nor does it embody an explanation for why one kind of change occurs rather than another. The purpose of this section is accordingly to build on the discussion so far by offering a

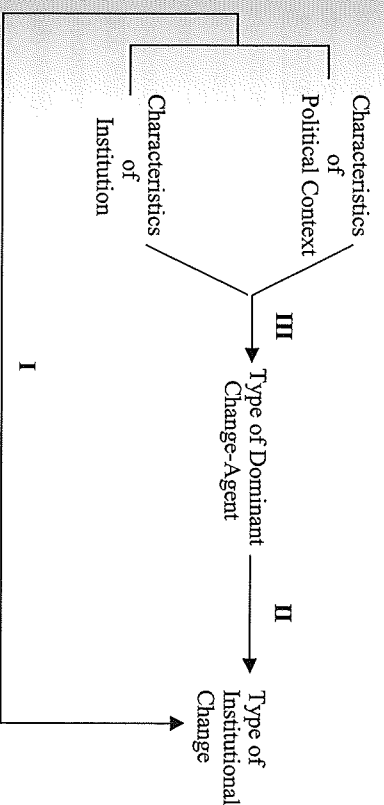


FIGURE 1.1. Framework for Explaining Modes of Institutional Change.

new framework for identifying and explaining types of institutional change.

Our basic model is sketched in Figure 1.1. Here the characteristics of both the political context and the institution in question together drive the type of institutional change we can expect. Political context and institutional form have these effects because they shape the type of dominant change agent that is likely to emerge and flourish in any specific institutional context, and the kinds of strategies this agent is likely to pursue to effect change. In the following discussion, we elaborate this argument, focusing our remarks on the three key causal connections identified in Figure 1.1 (indicated by I, II, and III in the figure). We begin, though, by considering different modes of institutional change.

### Modes of Institutional Change

Following Streeck and Thelen (2005), we delineate four modal types of institutional change: displacement, layering, drift, and conversion. As Table 1.1 suggests, each type is defined by asking about the locus of institutional transformation. The dimensions in the table generate the four types:

1. Displacement: the removal of existing rules and the introduction of new ones
2. Layering: the introduction of new rules on top of or alongside existing ones

TABLE 1.1. *Types of Gradual Change*

	Displacement	Layering	Drift	Conversion
Removal of old rules	Yes	No	No	No
Neglect of old rules	–	No	Yes	No
Changed impact/enactment of old rules	–	No	Yes	Yes
Introduction of new rules	Yes	Yes	No	No

3. Drift: the changed impact of existing rules due to shifts in the environment
4. Conversion: the changed enactment of existing rules due to their strategic redeployment

Understanding these different types of institutional change – including the roles that institutional supporters and challengers typically play within each – sets the stage for explaining why and how one type rather than another typically occurs.

*Displacement* is present when existing rules are replaced by new ones. This kind of change may well be abrupt, and it may entail the radical shift that is often featured in leading institutional theories. The rapid, sudden breakdown of institutions and their replacement with new ones that accompanies revolutions obviously involves displacement. Yet displacement can also be a slow-moving process. This may occur when new institutions are introduced and directly compete with (rather than supplement) an older set of institutions. New institutions are often introduced by actors who were “losers” under the old system. If institutional supporters of the old system prove unable to prevent defection to the new rules, then gradual displacement may take place. For instance, the advance of market-oriented institutions in China and Cuba pits a new institutional system against an older one. As more and more actors defect to the market institutions, they may erode and slowly overtake the previous state-controlled arrangements.

*Layering* occurs when new rules are attached to existing ones, thereby changing the ways in which the original rules structure behavior (Schickler 2001; Thelen 2003). Different from displacement, layering does not introduce wholly new institutions or rules, but rather involves amendments, revisions, or additions to existing ones. Such

layering can, however, bring substantial change if amendments alter the logic of the institution or compromise the stable reproduction of the original “core.” For example, adding a voucher option to an existing school system while maintaining other features intact is likely to set in motion changes that over time interfere with the stable reproduction of neighborhood-based schools and associated local financing. Processes of layering often take place when institutional challengers lack the capacity to actually change the original rules (or, as in displacement, to set up an explicit alternative institution or system). They instead work within the existing system by adding new rules on top of or alongside old ones. While defenders of the status quo may be able to preserve the original rules, they are unable to prevent the introduction of amendments and modifications. Each new element may be a small change in itself, yet these small changes can accumulate, leading to a big change over the long run.

*Drift* occurs when rules remain formally the same but their impact changes as a result of shifts in external conditions (Hacker 2005). When actors choose not to respond to such environmental changes, their very inaction can cause change in the impact of the institution. For instance, shifts in population across established electoral districts in many democracies can lead to problems of malapportionment, distorting election outcomes by magnifying the representation of some constituencies over others. In Japan, the Liberal Democratic Party consolidated and maintained its dominance in electoral politics in part by actively neglecting to reapportion Diet seats toward cities in response to urbanization. Politicians who resist efforts to revise district boundaries in the face of population movements are promoting change through drift, since their inaction has the effect of altering substantive outcomes.<sup>3</sup>

*Conversion* occurs when rules remain formally the same but are interpreted and enacted in new ways (Thelen 2003). This gap between the rules and their instantiation is not driven by neglect in the face of a changed setting (as is true with drift); instead, the gap is produced by actors who actively exploit the inherent ambiguities of the institutions. Through redeployment, they convert the institution to new

<sup>3</sup> We thank Alan Renwick and Giovanni Capocchia for this example.

goals, functions, or purposes. The “old institutionalism” in sociology is replete with examples of institutional innovators working with existing materials to craft solutions to new problems. In some cases, conversion results from the incorporation of new supporters or the assumption of power by a new political coalition that, rather than dismantle old institutions, uses them in new ways (Selznick 1949). Think of the way the YMCA was redirected over a long period of time and in response to secularization from a primarily religious mission to a broader-based community-oriented organization (Zald and Denton 1963; Zald 1970). In this case, new elites came to power and orchestrated the shift from within. However, in some cases even those who are disadvantaged by an institution can get traction out of conversion strategies. Lacking the capacity to destroy an institution, institutional challengers may be able to exploit its inherent ambiguities in ways that allow them to redirect it toward more favorable functions and effects.

### *Link 1: Political Context, Institutional Characteristics, and Modes of Change*

Differences in the character of existing institutional rules as well as in the prevailing political context affect the likelihood of specific types of change. The key issue is how to conceptualize the dimensions of institutions and of political context that matter the most for explaining variations in modes of institutional change. We can ask two broad questions:

1. Does the political context afford defenders of the status quo strong or weak veto possibilities?
2. Does the targeted institution afford actors opportunities for exercising discretion in interpretation or enforcement?

The answers to these two questions produce the analytic space depicted in Table 1.2, which we adopt (with modifications) from Hacker (2005). As the table suggests, differences in veto possibilities and the extent of discretion in institutional enforcement and interpretation are associated with different modes of institutional change.

Taking each dimension separately, let us first discuss the issue of veto possibilities, which can derive either from especially powerful veto players or from numerous institutional veto points (e.g.,

TABLE 1.2. *Contextual and Institutional Sources of Institutional Change*

		Characteristics of the Targeted Institution	
		Low Level of Discretion in Interpretation/ Enforcement	High Level of Discretion in Interpretation/ Enforcement
Characteristics of the Political Context	Strong Veto Possibilities	Layering	Drift
	Weak Veto Possibilities	Displacement	Conversion

Tsebelis 2002). Either way, veto possibilities are high where there exist actors who have access to institutional or extrainstitutional means of blocking change. These actors may have access to veto capabilities regarding both changes in the (formal or informal) rules themselves and changes in the rules’ enactment in practice. Actors with strong veto capabilities vis-à-vis a given institution, however, may not enjoy this strength vis-à-vis other institutions. For example, an independent central bank may be a powerful veto player with respect to changes in financial institutions but not welfare institutions.

Where would-be agents of change face political contexts with myriad veto possibilities, it will be difficult for them to mobilize the resources and assemble a coalition that can displace the existing institutional rules. Hence, displacement is unlikely in the context of strong veto possibilities. Likewise, efforts at active conversion will be difficult in such a context, since veto powers also apply to the realm of rule enactment. Instead of displacement or conversion, drift and layering are more promising as strategies of change in political environments with strong veto players. This is true because drift and layering do not require making any direct changes to the old institutions and do not rely on altering the rules themselves or actively shifting their enactment.

With drift, institutional change grows out of the neglect of an institution, or more precisely, the failure to adapt and update an institution so as to maintain its traditional impact in a changed environment. Powerful veto players may be able to defend existing institutions against

outright displacement, but their veto powers are often insufficient to prevent drift since doing so typically requires supporters to take active steps to shore up support for an institution as the social, economic, or political context shifts. Monarchical political institutions, for instance, were gradually rendered into mere institutional vestiges as royal powers time and time again proved unable to successfully defend the old ways in a changing environment marked by rising parliamentary forms and their supporters.

With layering, institutional change grows out of the attachment of new institutions or rules onto or alongside existing ones. While powerful veto players can protect the old institutions, they cannot necessarily prevent the addition of new elements. Thus, for example, Social Democrats across Europe have successfully prevented conservatives from dismantling public pension schemes, but they have not been able to stop the addition of voluntary supplemental pensions alongside the public system, which conservatives hope will tilt the balance toward the latter over the longer run (Clark and Whiteside 2003; Hacker 2005).

The other explanatory dimension concerns differences in the extent to which institutions are open to contending interpretations and variations in their enforcement. As we have argued, adopting a distributional approach to institutions means treating compliance with institutional rules as a variable that can change over time. In practice, nevertheless, the degree to which actors have discretion in implementing rules will vary from one institution to the next.<sup>4</sup> For example, enforcing and implementing unemployment benefits typically involve some discretion on the part of those who administer such benefits. If benefits are attached to a requirement that recipients be “actively seeking work,” what exactly does that mean (King 1995)? If workers can receive benefits only so long as they cannot find “*appropriate*” alternative employment,<sup>5</sup> what types of jobs might a person be expected to take? The sources of variation in the scope of discretion that rules allow are of course themselves quite varied: the complexity of the rules, the kinds of behaviors regulated by the rules, the extent of resources

<sup>4</sup> The degree of discretion embedded in different institutional configurations also “maps onto” broad differences between common law and civil law traditions. The importance of this difference for a variety of substantive outcomes has been explored by a number of scholars (e.g., La Porta et al. 1998 for finance and development).

mobilized by the rules, and so on, all matter. In the present context, however, we are concerned simply with the variation in the extent of discretion that actors have at the interpretation and enforcement levels and not with identifying the sources of such variation.

Differences in levels of discretion in the interpretation or enforcement of rules help explain modes of institutional change. If would-be agents of change face an institution in which there is very little room for discretion in enforcement, then the outcomes of conversion and drift are less likely. Conversion normally occurs when rules are ambiguous enough to permit different (often starkly contrasting) interpretations. As scholars of American political development have noted, contending interpretations of the Constitution’s commerce clause (a simple one-liner that gives Congress power “to regulate commerce with foreign nations and among the several states”) have been harnessed in support of rather massive changes in economic and social policy in the United States, including the consolidation of labor rights during the New Deal as well as important advances in civil rights in the 1960s (Orren 1991; Metler 1998; Skrentny 2002).<sup>5</sup>

Drift can occur when a gap opens up between rules and enforcement (in this case, often a gap due to neglect). For example, and as observers of labor relations in the United States have noted, different presidential administrations have been associated with wildly different outcomes with respect to workplace safety, depending on how vigorously the Occupational Safety and Health Administration (OSHA) enforces existing laws. The same observation has been made about union organizing under different presidents, depending on whom they appoint to lead the National Labor Relations Board (NLRB) that is charged with interpreting and enforcing labor laws in this country (see, especially, Freeman 1985; Klein and Wagner 1985, esp. 79–83; Moe 1987). In those cases and many others like them, there is tremendous space for diverse outcomes even under stable rules, given different interpretations (narrow/broad) and enforcement (vigorous/lax) of those rules.

In short, administrative capacities may be especially important for conversion and drift, because weakness on these fronts can create

<sup>5</sup> And since the 1990s, interpretations of the commerce clause have taken another, conservative, turn – being used by the Rehnquist Court to limit the areas in which Congress can legislate. We thank Dan Galvin for this observation.

strategic openings for those who oppose the rules on the books. By contrast, the other two modes of change, layering and displacement, do not rely on exploiting ambiguities in the rules themselves. These outcomes are likely strategies for change agents who realize that transformation cannot occur by taking advantage of a disjuncture between rules and enforcement. With layering, the old institution remains in place but is amended through the introduction of new rules. With displacement, the old institution is simply replaced – outright and abruptly or gradually over time. Either way, change occurs in a manner that does not entail shifting the interpretation or enforcement of rules that remain intact.

### *Link II: Change Agents and Institutional Change*

Addressing questions of institutional change and contemplating the kinds of strategies that are most likely to drive such change in diverse institutional settings also raises the question: exactly who are the agents behind such change? And why do they carry out behavior that leads to transformation? From a distributional perspective on institutions, as we have seen, a starting answer is that institutional losers drive change precisely because they benefit from such change. Yet we have also seen how the notion of winners and losers is often too simple for real situations. The ambiguities inherent in institutions and the uncertainties concerning institutional enactment complicate assessments about which actors are advantaged and disadvantaged. And the fact that actors are simultaneously embedded in multiple institutions often leaves them winners in some arenas but losers in others. We need a framework for thinking about change agents that goes beyond the crude dichotomy between winners and losers.

We also need to disentangle actors' short-run behaviors from their long-run strategies.<sup>6</sup> We should not, for example, confuse immediate rule-conforming behavior with the overall goal of institutional maintenance. Actors may, instead, pursue a strategy of short-run conformity in the service of long-run insurrectionary goals. We further need to be mindful that institutional change need not emerge from actors with transformational motives. Rather, institutional change can be an

<sup>6</sup> We thank Alan Jacobs for emphasizing the importance of this to us.

TABLE 1.3. *Types of Change Agents*

	Seeks to Preserve Institution	Follows Rules of Institution
Insurrectionaries	No	No
Symbionts	Yes	No
Subversives	No	Yes
Opportunists	Yes/No	Yes/No

unintended by-product that grows out of distributional struggles in which no party explicitly sought the changes that eventually occurred.

We find it useful to posit four basic change agents: insurrectionaries, symbionts (either parasitic or mutualistic), subversives, and opportunists.<sup>7</sup> We define these actors formally by asking two basic questions:

1. Does the actor seek to preserve the existing institutional rules?
2. Does the actor abide by the institutional rules?

The answers to these questions link up to the strategies just discussed and are specified in Table 1.3.

Identifying change agents is useful for explanatory purposes: each agent type is associated with a particular mode of institutional change, as well as a particular preferred strategy for effecting such change. These associations exist because the contrasting interests or behaviors of the change agents vis-à-vis institutional continuity foster different patterns of change. In other words, different types of change agents emerge in different institutional contexts, and where they are successful specific modes of institutional change are likely to follow.

*Insurrectionaries* consciously seek to eliminate existing institutions or rules, and they do so by actively and visibly mobilizing against them. They reject the institutional status quo and do not always abide by its regulations. Insurrectionaries may be especially likely to emerge when groups of individuals are disadvantaged by multiple institutions that reinforce one another, linking their identities to overall positions

<sup>7</sup> Clearly, any given actor may occupy different roles in the context of different institutional politics – for example, adopting an opportunist stance in one arena but assuming the role of insurrectionary in another context or at another time. Thus, the change agents we identify refer to roles rather than fixed identities.

within complexes of institutions. These objective similarities can provide a basis for subjective identification and thus coordinated collective action.

The insurrectionary variety of institutional innovator is widely theorized and represents the way that many institutionalists think about change agents when explaining abrupt patterns of change. Indeed, when insurrectionaries prevail in conflicts, they may lead critical-juncture periods that see the rapid overturning of the institutional status quo in favor of radically new rules. Insurrectionaries, therefore, may be especially linked to patterns of outright *displacement*. Moreover, the rapid displacement of institutions is precisely their goal. If displacement occurs gradually, it is likely because insurrectionaries are unable to make things change as quickly as they would like.

*Symbionts* come in two varieties – parasitic and mutualistic – and in both instances rely (and thrive) on institutions not of their own making. In the parasitic variety, these actors exploit an institution for private gain even as they depend on the existence and broad efficacy of the institution to achieve this gain. While they rely on the preservation of the institution, parasites themselves carry out actions that contradict the “spirit” or purpose of the institution, thus undermining it over the longer run. Parasites can flourish in settings where expectations about institutional conformity are high, but the actual capacity to enforce those expectations is limited. Indeed, parasites will not persist if institutional supporters are able to maintain and shore up institutions to address these gaps in compliance. As a result, parasites are especially associated with *drift*, or the neglect of institutional maintenance in the face of slippage between rule and practices on the ground.

In their mutualistic incarnations, symbionts also thrive on and derive benefit from rules they did not write or design, using these rules in novel ways to advance their interests. In this case, however, symbiotic activity does not compromise the efficiency of the rules or the survival of the institution. Rather, mutualists violate the letter of the rule to support and sustain its spirit – in contrast to parasites, who exploit the letter of the rule while violating its spirit.<sup>8</sup> Mutualists are not associated with institutional change through drift; in fact, they

<sup>8</sup> We thank Bruce Carruthers for underscoring the alternative possibility.

ordinarily contribute to the robustness of institutions, expanding the support coalition on which the institution rests.<sup>9</sup>

The chapter in this volume by Ato Onoma provides a vivid illustration of the logic of the parasitic variety of symbiont agency and its implications for institutional stability and change. Onoma contrasts prevailing accounts of property rights institutions as rationally designed to secure efficient economic outcomes. In line with the view of institutions advanced in this volume, he instead depicts property rights regimes as laden with conflict. He shows that in Kenya “con men” and “tricksters” systematically exploited a newly institutionalized system of land documentation, playing on people’s beliefs in the validity of documents to defraud them by exchanging fake documents for money. Kenya’s property rights regime thus underwent drift, as politicians systematically neglected slippage in the enactment of the regime. Indeed, far from bringing the full powers of the state to bear to suppress such parasitic behavior, politicians themselves embraced the logic and the strategies of these con men, exchanging protection of property for political support. In cases like this, parasitic behavior (as in the natural world) can compromise the stability of the system itself. For while stable property rights might survive isolated infractions of this sort, the multiplication of fraudulent claims compromises the very beliefs on which the fraudulent practices rely. The result for Kenya, as Dan Slater colorfully noted at the workshop out of which this volume grew, was “the tragedy of the con men.”

*Subvertives* are actors who seek to displace an institution, but in pursuing this goal they do not themselves break the rules of the institution. They instead effectively disguise the extent of their preference for institutional change by following institutional expectations and working within the system. From the outside, they may even appear

<sup>9</sup> Mutualists are sometimes therefore associated (like opportunists, discussed later) with *conversion*. In some cases, the emergence of symbionts is a function of feedback effects, as actors who were not involved in an institution’s design become invested in the institution and develop an interest in its survival. Thelen’s (2004) study of vocational training in Germany provides an example. The country’s union movement opposed the creation of a firm-based training system in the late nineteenth century, but as the ranks of unions swelled with workers who had earned their credentials in that system, the unions developed an interest in maintaining and controlling this institution rather than dismantling it. The overall result was to render the system more robust by expanding its support coalition.

to be supporters of the institutions. But they bide their time, waiting for the moment when they can actively move toward a stance of opposition. As they wait, they may encourage institutional changes by promoting new rules on the edges of old ones, thus siphoning off support for the previous arrangements. In this sense, subversives may be especially associated with patterns of layering, in which new institutional elements are grafted onto old ones. Yet depending on the features of the political-institutional context, they may also encourage institutional conversion and the kinds of neglect that promote institutional drift. Either way, subversion brings change as developments on the periphery make their way to the center.

Chapter 2 (this volume) by Tulia Falleti provides an illustration of change via subversion. As she demonstrates, the shift in Brazil from a fragmented (but centralized) health care system to a universal (but decentralized) regime did not take place abruptly with the nation's transition from authoritarianism to democracy. Instead, she identifies long-percolating developments at the local level during the authoritarian period, in which advocates of a municipality-based system infiltrated the existing institutions and laid the foundation for a wholly different kind of regime. While operating within the broad parameters of the existing system, these activists exploited crucial gaps and openings for action at the local level to put in place a more decentralized system alongside and within the existing system, but whose logic was completely different from the prevailing one. The actions of subversives were crucial to later outcomes, and yet it is important to underscore that these changes were not the result of heroic agents operating "against all odds." Rather, as Falleti makes clear, there were significant features of the previous authoritarian institutions (above all, the attempt to penetrate the countryside) that proved crucial to the ability of subversives to work *against* the system from *within* it.

Finally, *opportunists* are actors who have ambiguous preferences about institutional continuity. They do not actively seek to preserve institutions. However, because opposing the institutional status quo is costly, they also do not try to change the rules. Opportunists instead exploit whatever possibilities exist within the prevailing system to achieve their ends. Indeed, the weight of opportunists within an institution can be a major source of institutional inertia. Their preference for

making use of existing possibilities over the riskier strategy of mobilizing for change makes opportunists – through their inaction – “natural” (*de facto*) allies of an institution's supporters. Thus, beyond the power asymmetries noted earlier, opportunists help explain why changing an institutional status quo is often far more difficult than defending it.<sup>10</sup>

When they do emerge as agents of change, opportunists often engage in strategies of conversion: ambiguities in the interpretation or implementation of existing rules provide the space for them to redeploy these rules in ways unanticipated by their designers. The ultimate fate of the Auroux Reforms, a package of laws passed by a Socialist government in France in 1981, provides an example of this (Howell 1992). These laws were designed to shore up the country's historically weak trade unions and strengthen collective bargaining by bolstering the voice and power of labor at the plant level. However, as Chris Howell (1992) shows, the paradoxical outcome was something like the opposite: in a context of economic crisis and deep antipathy on the part of French employers toward organized labor, firms seized upon and exploited ambiguities in the law to promote the development of firm-specific forms of labor representation that competed with unions – thus in fact further marginalizing unions and weakening collective bargaining.<sup>11</sup>

In sum, we can generalize about the affinity between particular kinds of actors and modes of change as follows: Insurrectionaries seek rapid displacement but will settle for gradual displacement. Symbionts seek to preserve the formal institutional status quo, but their parasitic variety carries out actions that cause institutional drift. Subversives seek displacement but often work in the short run on behalf of layering. Opportunists adopt a wait-and-see approach while pursuing conversion when it suits their interests.

<sup>10</sup> We are grateful to Giovanni Capoccia for this insight.

<sup>11</sup> Moreover, and consistent with the arguments laid out earlier, Howell (1992) traces this result to ambiguities that were built into the law as a result of the complex coalition that presided over its passage, which in this case fatefully included a minority of actors representing an older tradition within the French left committed to worker self-management. Howell notes that “the final [legislative] package was... a compromise and a hodge-podge of elements” (p. 183), and he attributes its paradoxical effects to “a certain plasticity of law” in which key provisions became “Trojan horses” for strategies that were antithetical to the law's express purposes (pp. 182, 185).

TABLE 1.4. *Contextual and Institutional Sources of Change Agents*

		Characteristics of the Targeted Institution	
		Low Level of Discretion in Interpretation/ Enforcement	High Level of Discretion in Interpretation/ Enforcement
Characteristics of the Political Context	Strong Veto Possibilities	Subversives (layering)	Parasitic Symbionts (drift)
	Weak Veto Possibilities	Insurrectionaries (Displacement)	Opportunists (Conversion)

### Link III: How Context and Institutions Shape Change Agents

Pulling together aspects of context and types of actors, we can also generate some general propositions concerning the kinds of environments in which different agents are likely to emerge and thrive. As Table 1.4 suggests, the character of existing institutional rules and the prevailing political context are again the key explanatory factors. Change agents become the intervening step through which the character of institutional rules and political context do their causal work.

First, *insurrectionaries* can emerge in any setting, but they are more likely to flourish in environments characterized by low discretion and weak veto possibilities. Low discretion is quite compatible with strategies of outright displacement (as opposed to conversion or drift), while fewer veto possibilities means that defenders of the status quo who can be expected to resist change will not be well positioned to counter insurgent efforts aimed at displacement.

Second, *symbionts* of the parasitic variety are the mirror image of this, thriving in environments characterized by strong veto possibilities and high enforcement discretion. Since parasitic symbionts wish to retain the formal institutional status quo, strong veto players (many veto points) help to secure this outcome. At the same time, however, parasitic symbionts need high discretion in enforcement, because this allows them room to alter the valence and meaning of institutionalized rules.

Third, *subversives* can be expected to emerge and thrive in contexts in which the existence of strong veto possibilities and few rule interpretation and enactment opportunities makes it difficult for opposition actors to openly break or even bend the rules of an institution. In this environment, change agents must work within the system to achieve their goals.

Finally, *opportunists* tend to thrive in settings where there is a great deal of discretion in how institutions are enacted and there are few veto players or points to prevent actual institutional change. In this setting, institutional supporters may turn a blind eye to those who willfully convert institutions for their own purposes so long as they do not oppose outright the institutional rules. Moreover, institutional challengers do not need to pursue insurrectionary strategies since gaps between rules and enactment are available for them to exploit. Rather than oppose institutions outright, then, institutional challengers capture resources by acting as opportunists who redeploy the prevailing rules for their own purposes.

### Coalitional Dynamics and the Politics of Institutional Change

The foregoing discussion has developed broad propositions about the conditions under which particular types of change agents are likely to emerge as dominant, and it has also identified the kind of change that is associated with each agent. In reality, of course, change agents often do not work alone. Rather, they must act in concert with other institutional actors – other defenders and opponents of existing institutions. Because of the status quo bias of institutions – rooted in Shepsle's (1986) "wedge of uncertainty" as well as in increasing returns to institutionalized power – the success of various kinds of agents in effecting change typically depends crucially on the coalitions they are able to deliberately forge or that emerge unexpectedly in the course of distributive struggle. As Peter Hall (this volume) notes, the relative power of various actors is enormously important in affecting their ability to assemble the coalition they need to change (or defend) existing arrangements. While these coalitions are inevitably shaped by the particular setting in question, it is possible to make generalizations about how different transformative actors can and cannot forge alliances with those who benefit and do not benefit from the prevailing rules. Table 1.5 presents the logic of these alignments by asking, broadly, whether a

TABLE 1.5. *Coalitional Alignments*

	Allies with Institutional Supporters	Allies with Institutional Challengers
Insurrectionaries	No	Yes
Symbions	Yes	No
Subversives	No	No
Opportunists	Yes/No	Yes/No

given actor will seek alliances with an institution's supporters or its challengers, bearing in mind that part of the task is often to mobilize latent defenders or opponents into action.

Some of the connections here are straightforward. For example, the interests of insurrectionaries are by definition at odds with those of the defenders of the status quo. Insurrectionaries must seek alliances with other institutional challengers who have their own reasons (possibly substantively quite different) for opposing existing arrangements. Opportunists, by contrast, are available for all kinds of alliances, including alliances with insurrectionaries, depending on the political winds. In fact, the success of insurgencies often depends crucially on their forging an alliance with opportunists who are in principle not committed to existing institutions. Opportunists can be brought into such a coalition, however, only if insurrectionaries can convince them that change is likely or even inevitable – at which point opportunists will take up the insurgent cause. This is in fact one of the lessons that emerged from the literature on the transition from communism in Eastern Europe. Kuran (1991), for example, showed that the success of prodemocracy forces hinged crucially on signs that a critical mass of support for change had been assembled by the insurrectionaries; as change began to appear more likely, citizens' revealed preferences shifted dramatically. Beissinger (2002) documents a similar "cascade" effect in which a successful revolution in one region emboldened insurgents in neighboring countries and (we would add) in the process brought opportunists into the alliance for change.

Other aspects of the coalitional politics implied by the framework in this chapter are even more intriguing. For example, subversives (such as those in Tulia Falletti's chapter) need to work to the extent possible under the radar of the dominant actors. This means that, despite their preference for change, they may not align themselves

(certainly not openly) with insurrectionaries. Instead, they work on their own, behind the scenes or in the shadows. As Pierson pointed out during our workshop, the effects are like those of "terminals in the basement" – the changes these actors have wrought may appear only with a delay, and then come to light suddenly (in Falletti's example, with the transition to democracy), even though the process of change itself was gradual.

Finally, symbionts are in some ways the most interesting of the change agents we have explored here. In both varieties (mutualistic and parasitic), the interests of symbionts are broadly consistent with (and in many ways rely on) the preservation of status quo institutions. This makes them ready allies of defenders of the status quo and opponents of insurrectionaries. But because the *substantive* goals of symbionts are frequently at odds with those of current institutional supporters, strange coalitions can emerge. Alan Jacobs's chapter provides a good example of this type of "Baptist-bootlegger" coalition. In his account, a key feature of the U.S. Social Security system – contributory financing – was jointly shored up in a period of instability (the 1950s) by an unlikely alliance of social progressives and fiscal conservatives. For progressives, contribution-based funding provided a compelling political and moral logic for maintaining and incrementally expanding the program, while conservatives embraced this same feature for the way it prevented that expansion from going too far. These kinds of alliances are not uncommon for symbionts, who "come around" to supporting institutions created by others and with different purposes in mind.

### Conclusion

Building on previous conceptual work and harnessing the lessons we can draw from the analysis of concrete instances of institutional change, this chapter has presented a theory of gradual institutional change. The argument emphasizes the interaction between features of the political context and properties of the institutions themselves as crucially important for explaining institutional change. It also calls attention to the different types of change agents – and associated strategies – that are likely to flourish in particular institutional environments.

The theory suggests a potentially broad agenda and invites further research on gradual institutional change. It offers new concepts and causal propositions for scholars to draw on and put to use in their

own investigations. Indeed, rather than promote abstract debate about metatheory or definitions, this framework is intended to stimulate and aid in the substantive analysis of institutional change – whether in individual cases or across sets of cases. Ultimately, the arguments we have put forward can be evaluated only through the analysis of concrete cases and actual episodes of institutional change. Conversely, it is through their application that the concepts and propositions we advance can be further refined and elaborated.

Empirically assessing the theory in these substantive ways is something that can and should be carried out by institutionalists of all stripes in the social sciences. Although we have built on ideas developed in the field of historical institutionalism (and the chapters that follow originate mostly in that tradition as well), our propositions can be explored with equal profit by sociological and rational-choice institutionalists. Whatever the current disputes among scholars associated with alternative strands of institutionalism, their views are not so different as to prohibit a common research agenda focused on gradual institutional change. As Peter Hall's concluding chapter suggests, institutional analysts from different schools all stand to benefit by combining their best insights in the shared pursuit of valid explanation. Whatever extensions and revisions emerge from the use of the framework we have laid out here, this volume will have served its purpose if it stimulates more scholars to explore broad-ranging questions about gradual institutional change across diverse times and places.

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