

Comparative Public Policy Analysis: Problems, Progress and Prospects*

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Truth is a very complex thing, and politics is a very complex business.

Oscar Wilde

Introduction

Comparative public policy analysis has taken great strides forward in little more than a decade and may now, quite appropriately, be considered as a major branch of political studies. Although the assumption that political choices and arrangements are an important factor in determining the nature of societal outcomes has ancient and illustrious origins, dating back to Aristotle's account in *The Politics* of the nature and effects of the varying constitutional structures of the Greek city states, such a perspective was largely submerged in the wave of socio-economic reductionism which deluged social scientific thinking in the first three decades of the post-war era. Today we witness a proliferation of studies, such as those comprising this volume, which seek to use the comparative method to illuminate similarities and differences in policy outcomes and to explore the *joint* impact of both socio-economic and political factors in shaping those outcomes. This change in perspective has involved a re-orientation of theory and methodology, which, because of its rapidity, has in many respects been incomplete and poorly integrated. Moreover, whilst the research proceeding from the new perspective has produced an enormous quantity of empirical information concerning the range of variation of policy outcomes, there is a genuine risk that the information will not, in the absence of adequate theoretical reconceptualisation and methodological reformulation, be cumulative or fully assimilated into our knowledge of the workings of the modern state. The task of this chapter

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is to discuss the development of comparative public policy analysis over approximately the past decade, to comment on the strengths and weaknesses manifest in that development and to speculate on ways in which the barriers to further progress may be overcome.

Before embarking on this discussion, let me attempt to give the above contentions a degree of concreteness by offering an example of some of the analytical problems faced in public policy research. The example is drawn from the comparative study of welfare outcomes, perhaps the most frequently researched area in the literature and one which, as has been made abundantly clear by many of the contributions to this volume, is central to the political management of mixed economies. Welfare is central both because it is a proxy for human well-being, which is not only a major ethical imperative of modern societies, but also the primary legitimation of their public institutional structures, and because it is, in its broadest delineation, the most substantial component in the budgetary allocation in all modern states. About 1980 the average social security expenditure of some 18 OECD countries was 20.1 per cent of Gross National Product, slightly more than half the average government revenue of 36.9 per cent of GNP (ILO, 1985; OECD, 1982). A very large part of the variance in the extent of the state, at least as measured by tax revenues, is statistically "explained" by the degree of social security effort, with a correlation of 0.90. This is a point of both theoretical and methodological interest. However, the finding is ambiguous, because it could be used to support two supposedly antithetical paradigms. Marxists might suggest that, leaving social security aside, the relative lack of variance in the non-welfare functions of the state confirmed their view that the basic nature of the advanced capitalist state is essentially similar irrespective of historical, cultural or political diversity. Pluralist or social democratic theorists might well retort that it is the welfare state that makes any difference there is. As we shall see subsequently, the major incongruity between theory and empirical findings in comparative policy analysis is not a matter of theory not fitting the facts, but of the facts fitting too many theories.

Methodologically, the analytical problem we face is that findings concerning the extent and variation of the welfare state, its individual policy components and the relationship of both to the size and variation in total government revenue may tell us almost nothing about policy outcomes as such. This is partly a concomitant of the familiar difficulty that the majority of policy studies have focused on *outputs* measured in terms of resource expenditures (e. g. on social security or defence or transport) rather than on *outcomes* seen in terms of individual or societal consequences (e. g. well-being and equality or security from external aggression or ease of communications). Still more seriously, in analytical terms, it is a consequence of the frequently ignored fact that there is no inherent or automatic one-to-one relationship between means and ends; that, in other words, there are more ways than one to skin a cat! A vast array of seemingly disparate policies and policy-mixes may end up

with remarkably similar results, and apparently rather similar policies may lead to quite different outcomes. For instance, if our interest in the welfare state were motivated by a concern for the achievement of equality of incomes, we could be very considerably misled by social security data of the kind mentioned in the previous paragraph. Certainly, according to a 14 nation data-set on post-tax, post-transfer, income inequality (van Arnhem and Schotsman, 1982:290), Sweden and the Netherlands, the two countries with the highest social security expenditure, are also those with the most equal income distribution, but in fourth and fifth places are Australia and Japan, both right at the bottom of the OECD social security league-table. Moreover, France, which has consistently been in the top half of the distribution of social welfare spending between 1950—80, has a more unequal income distribution than any other nation in the data-set. Thus, to assume that social security expenditure necessarily leads to greater equality, or even to assume that governments which spend more on social security are somehow more welfare-minded than those which spend less involves going beyond or even against the available evidence, and yet such assumptions, implicit or explicit, are a commonplace of the welfare state literature, although there are some conspicuous exceptions (for example, Sharkansky's spending-service-cliché, see Sharkansky, 1970). The need to reformulate our methodological strategy, not merely in welfare studies, but across all areas of policy analysis, where such problems are equally apparent, so that we gain some real purchase on the linkage between policy instruments or outputs and outcomes, is one of the important themes of this essay. Whilst the character of the presentation is largely methodological, the point is substantive: we cannot offer anything like an adequate theoretical account of policy processes and outcomes unless we know what we are measuring and whether it is significant.

The Shift from Theoretical Primacy

One way of tracing the progress of comparative public policy analysis is to examine the changing nature of its theoretical underpinnings. Perhaps paradoxically, I shall argue that the potential for understanding the causes of public policy variance has expanded in direct proportion to increased theoretical diversity in the field and that further development is dependent on assimilating that diversity into our research strategies. The paradox, because I accept fully that the elaboration and testing of theory is the hallmark of progress in scientific understanding, arises from the fact that the kind of theorising which used to dominate the analysis of policy consequences, and still to a lesser extent influences its tenor of presentation, sought to simplify a complex reality to such an extent that it often became an agency of obfuscation rather than enlightenment. Moreover, simplistic theory abhors testing, as nature abhors a vacuum, and either neglects to undertake it (because the theory is self-

evidently true!), evades it (either by tautological formulation or unfalsifiable hypotheses), avoids it (by stipulations broad enough to be compatible with most kinds of evidence) or rigs its findings (by looking only for signs of confirmation in circumstances particularly propitious for finding them). By one or more of these techniques, the explanatory primacy of a given theoretical paradigm can long be defended, almost irrespective of the evidence marshalled against it. Unquestionably, one of the most significant marks of the progress of comparative public policy analysis during the past decade has been the extent to which it has moved away from assumptions of theoretical primacy. Such a development, although by no means completely assimilated, is an essential prologue to the emergence of a theory — or theories — capable of capturing the complexity of the policy process and its outcomes more fully.

A dramatic illustration of the blindness engendered by the theoretical primacy assumption is the fact that through the 1950's and much of the 1960's the vast majority of theorists of the development of the welfare state were able to adhere to views about the scope of political intervention in the mixed economy which were apparently diametrically opposed in causal terms. On the one hand, the prevailing orthodoxy of macro-economic management was the Keynesian conception of manipulating aggregate demand; a view which implied that governments had rather extensive powers of control over the economy and could, by their actions, influence levels of unemployment and inflation, economic growth and the sectors of the economy to which additional resources would be devoted. On the other hand, this political agency view of economic policy was matched by an overwhelming socio-economic determinism in sociological and political analysis of the development of the modern state, which almost wholly denied the impact of purposive political choice. Whilst much writing of the period simply ignores the potential antinomy of these views, more sophisticated analyses purported to demonstrate that supposedly independent political choice in the management of the economy was everywhere effectively constrained by similar socio-economic forces with similar policy consequences. Whether this was stated in terms of the mass electorate's preferences for full employment, price stability and economic growth, or in terms of the constraining imperatives of industrialisation and modern technology, the result remained a convergence of policy outcomes, despite the hypothetical manipulability of the macro-economic mechanism.

We might describe the antinomy of political agency and socio-economic determinism in terms of a distinction between a theory of statics (the factors involved in the establishment of diverse policy outcomes in the various advanced states), and a theory of dynamics (the developmental motion of whole societies). Within such a framework, it might have proved intellectually viable to locate a major explanatory role for both socio-economic structure and political agency and to devote theoretical attention to the links between the

two levels of analysis. As it was, however, the convergence hypothesis, often stated in the most general and non-operationalisable terms (e. g. all modern states have mixed economies or are welfare states), made it possible for the developmental theories of sociological provenance to direct attention away from what were seen to be minor residual divergences and to focus it fairly and squarely on the massive structural changes in society and economy responsible for the transition from traditional to modern societal forms. All the major theoretical paradigms of the 1950's and 1960's — structural-functional analysis, the industrialisation thesis and the prevailing economicistic Marxism — have in common such a developmental sequence. They differ only in their ethical appraisal of developmental trends and in regard to the factors which are accorded explanatory primacy in the developmental sequence — institutionalisation and structural differentiation in functionalist analysis, economic growth and demographic change in the industrialisation thesis and ownership and control of the means of production in the Marxist model. Otherwise these ostensibly competing theoretical paradigms have a curiously similar character. They all effectively relegate political action to a minor and epiphenomenal role and view the activities of the modern state as being essentially similar. Their analyses are only comparative in the very crudest sense of contrasting gross differences between countries at diverse stages in a developmental sequence without bothering with finer shades of distinction among countries at a similar developmental level. In terms of such gross contrasts, advanced states are variously described as "modern", "industrialised" or "capitalist", and public policy differences between them are glossed over or labelled as irrelevant, as O'Connor, for instance, suggests is the case in respect of diverse balances between the welfare and warfare functions of the state (1973:28; cf. Keman *supra*). Finally, since primacy is the main issue, and none of the paradigms deny the empirical occurrence of the major developmental trends, only their significance and causal ordering, their amenability to evidential falsification is generally rather low.

Although the developmental theorising of this period was effectively non-empirical in focus, since the overarching contrasts between tradition and modernity scarcely required minute demonstration, it can be argued that the postulated similarity or convergence of modern states had some implicit empirical foundation in a special conjuncture of circumstances in which politically determined differences were less than at any time before or since. The pioneering research which has emerged from the Study Group on Historical Indicators of Western European Democracies (HIWED Project) shows clearly that in the pre-World War II period there were very clear national divergences in the development and coverage of European social insurance programmes. However, as Alber points out in an early summary of the project's findings, "during the general expansion of social insurance coverage in the post-war period, the marked differentiation eventually gave way to a slow convergence." (1979:5; 1982) What could be said of the development of the

welfare state also applied to macro-economic policy. The Keynesian orthodoxy of the immediate post-war era has already been remarked on and may be contrasted with the much greater variety of policy responses in the crisis of the 1930's (Schmidt, *supra*). Thus it is hardly surprising that the theorists of the early post-war decades were impressed by the convergence of policy trends and sought explanations in a decline of ideological (i. e. political) conflict, although, to compound the paradoxes of theory development already noted, the argument that political conflict had at an earlier time been more salient was not too readily assimilable with the view that socio-economic structure was the exclusive motor force of developmental change. But even by the 1960's new processes of differentiation were emerging both in respect of macro-economic policy and social policy expansion. On the one hand, it was becoming obvious that different advanced economies had rather diverse records of success in Keynesian macro-economic management and, on the other, differentiation in respect of the coverage of the welfare state was giving way to major differences in the sheer volume of social policy intervention. As the OECD was later to point out concerning this latter development, these years were not characterised by a process of convergence and the "evidence points on the contrary to a growing international dispersion in the relative size of public sectors." (OECD, 1978:13).

It was evidence of this kind which served as the experiential basis for the development and progress of comparative public policy analysis in recent years. The emerging evidence of marked diversity within the category of advanced states was not easily susceptible to explanations in terms of the working out of similar socio-economic trends, since indicators of modernity were frequently unable to discriminate between countries with substantially different outcomes in respect of welfare expenditure, unemployment or inflation. Rather the diversity of policy outcomes suggested the need to seek explanations in terms of factors peculiar to particular nations or groups of nations, and such a development required a far more detailed focus on policy, employing either the historical and/or comparative method. It also required a major reorientation of theory, which at first took the form of an internecine struggle for theoretical primacy between the proponents of a socio-economic explanatory paradigm and those who wished to demonstrate that, far from being epiphenomenal, political choice was a crucial determinant of policy outcomes.

This battle of the paradigms was frequently conducted with a minimum degree of subtlety, by demonstrating the statistical association between some factor, labelled either socio-economic or political, and some given measure of policy variance, and concluding, with few if any caveats as to specificity of time, place or policy, that the association revealed proved that politics mattered or *vice versa*. Whilst methodologically unsophisticated and often leading to conclusions which, as much as their predecessors, belied the complexity of policy determination, the battle of the paradigms did stimulate research

and did infuse the area with a range of theories which allowed of political agency as a factor in policy development. Electoral outcomes, pressure group activities, party ideologies, the intensity of class struggle, institutional forms and societal arrangements for channelling conflict now challenged institutionalisation (and its policy studies elaboration as incrementalism), economic growth, demographic change and patterns of ownership and control as rival explanations for the similarity and diversity of policy outcomes manifested in the modern state.

At a minimum, this enhanced theoretical diversity has led to a situation in which comparative public policy analysis has been invested with a much greater inventory of hypotheses for comprehending the nature of policy diversity. Moreover, the very existence of diversity has exerted a quite considerable pressure on researchers to abandon the most extreme positions in respect of theoretical primacy. The scholarly requirement of reviewing the existing literature has made recent research far more wary of offering mono-causal explanations, supported only by evidence confirming the existence of some level of statistical association between two variables. Confronted by such a broad array of hypotheses and findings in the literature, it is necessary to juxtapose evidence of policy diversity against the most frequently utilised theories. This shifts the emphasis from primacy to the degree to which the data match the hypotheses. It remains possible, of course, to manipulate one's choice of policy area, time period and universe of discourse in such a way that favoured hypotheses fit rather better than they otherwise might. Such strategies remain extremely common in that part of the literature which has a polemical slant. However, even this possibility is progressively circumscribed to the degree that the field has increasingly attracted researchers whose chief interest is the nature of policy variation itself rather than policy variation as an adjunct to theoretical polemics. Putting policy first in this way was a natural concomitant of the shift away from variants of convergence theory. To the degree that researchers came to the field with an interest in policy variation *per se* and with an open mind, they were likely to find that many of the theories mentioned in the literature appeared to have some partial relevance, and possibly one which itself varied from country to country, from time-period to time-period and from policy area to policy area. As the reader will be aware, the research findings collected in this volume are characterised by precisely this type of approach, which, while anything but atheoretical, does start from the presumption that reality is likely to be far too complex to be captured by any mono-causal theory. The shift from theoretical primacy to multi-causal models of policy determination represented in this and a number of important collaborative contributions to this field, (Flora and Heidenheimer, 1981; Castles, 1982; Goldthorpe, 1984; Vig and Schier, 1985), marks an important step in the maturity of comparative public policy analysis.

This does not, of course, mean that theoretical problems have been fully overcome. At the earlier stage when developmental theories reigned supreme,

theory testing was conspicuous by its absence, both because the differences between traditional and modern societies were seen as self-evident and because these theories were framed largely in non-falsifiable terms. None of this is true of contemporary comparative policy analysis, but to the degree that multi-causality has been embraced without any tight specification of the causal sequences linking the independent variables in policy determination, we remain in a situation in which outright falsification is difficult so long as some degree of association between independent and dependent variables can be demonstrated. Since the list of independent variables in public policy explanation is virtually conterminous with the most important basic hypotheses generated across the social sciences in the past century, it is rather unlikely that any major policy process or sector will be completely dissociated from most of these variables. This is what I meant earlier by suggesting that we are confronting a serious problem insofar as the facts fit too many theories. This is a problem which can only be overcome by moving from simple single-factor theories — in much of the literature the terms “theory” and “hypothesis” are strictly equivalent — which can be combined and rationalised *ad hoc* and *post hoc*, to multi-factor theories in which causal sequences are stipulated *to the exclusion* of other alternative patterns.

This is the next stage of theory development: having broken away from a monolithic socio-economic developmentalism, and thereby created a situation of immense theoretical diversity, we have to assimilate and re-combine these different explanations in order to arrive at a clearer picture of the complex processes of policy determination. Such a task is scarcely begun, although a dim perception of the need may be seen in the fact that those theories which have been most favoured in recent research are precisely those which do already contain some account of the inter-relationship between socio-economic and political independent variables. Thus they do offer, however tentatively, some potential linkage between the statics and dynamics of policy determination by presenting paradigms of analysis in which both structure and agency have an explanatory role. The three theories which most conspicuously attempt such a linkage are the social democratic model, the class politics paradigm and the neo-corporatist framework, all of which feature extensively in the analysis presented in previous chapters of this volume. Each of these theories specifies a causal sequence in which an historically conditioned social structure has an impact on policy-outcomes through the intermediation of political actors whose choices are *relatively autonomous* in the sense that whilst constrained they allow for varying degrees of freedom of manoeuvre. In the social democratic model these actors are political parties seeking partisan control of the state (Shalev, 1983). In the class politics paradigm they are class fractions and organisations mobilising and struggling to assert themselves against the imperatives of capitalist accumulation encapsulated in the structure of the bourgeois state (Gough, 1979; Schmidt, 1982). In the neo-corporatist framework they are interest organisations co-opted to a

greater or lesser degree into the decision-making structure of the modern state (Lehmbruch, 1982; Lehner, *supra*) Notionally, these theories present quite different accounts of the nature of the policy process and of the scope for political intervention in the mixed economy. In fact, as we shall see in the next section, the methodology of research employed in comparative public policy analysis often makes it rather difficult to ascertain the extent to which empirical findings support one theory more strongly than another.

Snapshots of Reality

In turning to an examination of the methodology of comparative public policy analysis, I shall make use of a somewhat curious analogy: that of an amateurish photographer who takes along his box-camera to a local football match with a view to capturing all the action on film. At first all goes well. He finds out how to point the camera not only at the pitch, but also at approximately the place in which what he is interested in is going on. But then his troubles begin. His viewfinder shows him which players are in the thick of the action, but does not give him nearly enough definition to distinguish which of them kicks the ball. The absence of a close-up lens makes it impossible for him to see the ball in any case, and his constant need to wind on the film means that he loses all continuity of the build-up of play. In this analogy, pointing the camera at the pitch stands for locating an appropriate universe of discourse for comparison. Identifying a particular centre of interest denotes a capacity to disaggregate policy into specific areas of activity. In both of these respects, the box-camera of cross-national comparison now works moderately well and we can make out the broad contours of the policy determination process far more clearly than before, when analysis was conducted in terms of the developmental paradigms. However, it is apparent that we are using a low-definition viewfinder because we are unable to distinguish adequately between some of the more important hypotheses in the field. The absence of a close-up lens makes it difficult to discern the nature of the linkage between policy outputs and outcomes, and the constant need to wind on our camera makes it difficult to follow the interaction of variables in the development of policy. This section will examine both the advantages and disadvantages of our current photographic techniques, whilst the next will suggest possible ways in which we might in future obtain a closer and clearer focus on our subject.

The box-camera analogy is not intended to be an unflattering description of current comparative public policy research, as should be readily apparent from a contrast between the detailed studies of this volume, concentrating on particular policy areas and painstakingly exploring large numbers of contending hypotheses, with the analysis and empirical research stemming from the earlier developmental theoretical frameworks. The pictures developed by

these latter only differentiated between black and white, and diverse developmental stages were contrasted rather than compared. Evidence was gathered only to support a particular hypothesis without any consideration of possible counter-indications suggested by other cases. For instance, the failure of much Marxist analysis to consider seemingly obvious counterindications is amply illustrated by the strange neglect in this tradition of any discussion of social policy development in the "socialist" countries of Eastern Europe. Marxism has, at least, the analytical advantage over both the industrialisation thesis and functionalism in that it distinguishes between two types of modern society and theoretically allows for comparison between them. The two types of society are capitalism and socialism. Yet, analysis in this tradition has attributed social policy development in capitalist states to either the needs of capital (the human equivalent of infra-structural development), or to the need to buy-off delegitimising crises. However, it fails to take into account the implications of the empirical evidence which clearly demonstrates the existence of a similar array of welfare agencies and types of provision in the socialist East and capitalist West (Alber, 1982:15—16). In both functionalist and industrialisation theorising, the common failing was the lack of any systematic resort to evidence and a mere picking out of examples favourable to the thesis advanced. In general, evidence concerning the role of the state in pre-modern times, the role of traditional mechanisms in modern times and the existence of substantial diversity was largely ignored. Moreover, once this theorising moves from developmental contrast to an attempted close-up of advanced states, it merely offers us an unindifferentiated blur, an image even less distinct than a black and white photograph. Such, surely, is the impression left by the many writers who took the simple facts of higher levels of state intervention and/or the greater array of state welfare agencies as demonstration enough of the fundamental convergence of modern societies. This can also be said of a Marxism that could assert that "the coexistence of poverty and affluence" was a sufficient common denominator "of the most advanced and the most backward welfare states" (Offe, 1972:480), ignoring that such a characterisation scarcely differentiated such states from all others that have graced the stage of human history.

It is precisely this lack of differentiation which occasioned my earlier remark that, despite seemingly highly divergent conclusions as to the nature of policy determination, the pictures provided by these paradigms end up as being almost indistinguishable. This is so because they rest on vaguely defined empirical criteria. It is often quite impossible to use the method of comparative hypothesis testing to discriminate among the various explanations offered. All capitalist societies are simultaneously structurally differentiated and all are to varying degrees industrialised and, thus, no singular set of circumstances conducive to the development of the mixed economy or the welfare state can be readily isolated. Once again, it looks as if the facts fit too many theories, which is only to say that the theories are inadequately specified in

empirical terms. Admittedly, some differentiated and industrial societies are not capitalist, but, as noted above, these have generally been glossed over in Marxist analysis of the genesis of social policy. Some writers on the theory of the modern state do, of course, grasp the nettle and describe these societies as *State Capitalist*. While this solves the theoretical problem of why such states have a similar need for welfare provision as the capitalist West, it is at the cost of further reducing our capacity to discriminate between Marxist and alternative developmental explanations of modern state forms and activities.

The type of analysis described is effectively non-empirical and pre-comparative. However from about the mid-1960's, a number of comparative studies began to emerge which started from, and came to conclusions broadly consonant with, functionalist and industrialisation thesis hypotheses and which did not suffer from the more egregious failings mentioned above (see, for instance, Cutright, 1965; Aaron, 1967 and Wilensky, 1975). Most of these studies focused on aggregates of state expenditure, most frequently the social security budget as a whole, but occasionally on more sharply defined areas, such as education (Verner, 1979) or health, the latter usually a province for demographers and medical sociologists. In the deservedly best-known of these studies, Wilensky analysed data from some 64 nations and came to the conclusion that: "Over the long pull, economic level is the root cause of welfare-state development, but its effects are felt chiefly through demographic changes of the past century and the momentum of the programs themselves, once established" (1975:47). He goes on to suggest:

In response to similar problems of providing economic and career incentives and maintaining political order under conditions of the general push for equality and social justice and specific concern about the aged, all rich countries develop a similar set of conflicting values and beliefs . . . For the same reasons, there is a general convergence of social security practice toward dual systems of income maintenance (1975:49).

These findings, echoing the convergence and end of ideology themes of the theoretical literature, are supported by an impressive array of statistical evidence. However, there are real methodological difficulties in this and all similar studies which base their conclusions on a large number of cases at highly divergent levels of economic development, urbanisation and industrialisation.

The problem derives from the enormous gap in *per capita* resources between less developed and advanced nations. This gap results in a major discontinuity in the distribution of all those variables which are, in effect, proxy measures of economic modernity and, hence, to a bi-modal distribution of outcomes. Essentially, all that Wilensky and others using such a mode of comparison have demonstrated is that the level of state expenditure is higher in advanced nations and, given that difference, significant regression equations may easily be derived. This is so because the huge gap in the distribution of *per capita* resources swamps any variation that may exist within the two

groups of rich and poor nations (see Castles and McKinlay, 1979:184). To pursue our photographic analogy, this would be like the inexperienced photographer who, having double-exposed a snapshot of a football game over another of a cricket match, decided, after minute examination, that the only difference of substance was the size of the respective balls. Moreover, in studies of this kind, there is a problem of the relevance of the cases compared, since the conclusions drawn from the wide bi-modal sample are rather unlikely to apply within each group considered separately. Indeed, the attempt to derive generalisable conclusions from such a sample is likely to be as futile as the attempt to study our double-exposure and to deduce from it a single set of rules governing the conduct of both football and cricket. Thus, it comes as no surprise that, within a group of 22 richer countries in Wilensky's study, there is no significant relationship between economic level and social security spending and that it is the Western countries in this richer group which have been successfully used to demonstrate the importance of party ideology in determining public policy differences. Perhaps these comments are too critical of what was, in many ways, the most sophisticated study of its time. It is nevertheless the case that the differences in welfare expenditure between rich and poor countries should not occasion much surprise. The implication that there is a process of convergence taking place *within* the more advanced subset of countries is not supported by the evidence.

For reasons made clearly apparent in the preceding paragraph, most recent studies, as for instance those which compose this volume, which have sought to locate the determinants of variance in public policy performance have restricted themselves to an universe of discourse comprising the advanced democratic states of the West. This then is the clearly delineated pitch at which the box-camera of comparative public policy analysis points; an area circumscribed by common attributes in respect of economic advancement, a mixture of public and private control and a political structure in which parties of diverse ideological persuasion are free to flourish. This area — the mixed economy of the title of this book — encompasses diverse policy-outcomes, in terms of levels of state expenditures, levels of unemployment and inflation and decisions regarding the manifold responsibilities of the modern state, from the rate of expansion of domestic nuclear energy programmes to appropriate speed limits for motor vehicles (to use the examples provided by Steiner and Dorff, *supra*). However, by this prior stipulation of similarity, it is possible to ensure that gross economic and political differences will not swamp the more subtle variation which remains.

This is not to say that other potentially viable pitches cannot be delineated, and there would certainly appear to be great value in pursuing policy studies on a regional comparative basis (e. g. on Latin America, see Abranches, 1982). Nevertheless, given that a major objective of cross-national research is comparative hypothesis testing by reference to the widest possible samples within which significant structural regularities may be ex-

plained, the universe of advanced democratic states is clearly a highly appropriate focus for research on policy-outcomes. It is, moreover, one which becomes more intellectually fertile to the degree that we are able to focus on and disaggregate particular aspects of the public policy game as it is played in different arenas and at different times.

The tendency of contemporary policy analysis to seek to disaggregate the phenomena which generally comprise the activity of the modern state marks a major improvement in methodological sophistication and is simultaneously the basis for the much expanded role of such analysis as a branch of political studies. Where the earlier assumption of theoretical primacy and the subsequent battle of socio-economic and political paradigms made for an unwarrantable tendency to generalise from one policy context to another, greater theoretical diversity frequently combined with an interest in policy *per se* has led to the recognition that there is not a singular phenomenon of state activity to be explained, but rather a host of separate activities each requiring potentially separate explanation. As Richard Rose has concluded in summarising the findings of such disaggregated research:

(T)here is no single cause of changes in the scale of government programmes, just as there is no tendency for all programmes to change in the same direction or at the same tempo. Programmes differ fundamentally in their dynamics — contrast defence and income maintenance — and they differ too in the causes of change. No one type of influence, whether the colour of the party in office, the pattern of a country's economic growth, its constitution or its demographic structure, is sufficient to explain all the important changes that occur among the major programmes of the welfare state . . . To understand what it is that makes big government grow, we must understand what makes each major programme grow. (Rose, 1984:201)

Even if we disagree that programmes are the most appropriate basis for disaggregation and, instead, focus our box-camera on policy-mixes (like Keman) or decision cases (like Steiner and Dorff), we are now necessarily committed to a much more detailed and finely textured account of policy determination than was until recently available. That becomes all the more true to the degree that we use the same logic and ask whether it makes sense to generalise about the nature of the policy process over time. There are no inherent reasons to suppose that the causes of policy remain invariable over time, and studies are beginning to appear which demonstrate clearly how false such an assumption is; for instance, Schmidt's analysis of *The Welfare State and the Economy in Periods of Economic Crisis* (1983) or, indeed, the majority of studies comprising this volume. The emergence of a more differentiated perspective in comparative public policy analysis is only quite recent, but, as we shall argue in the next section, it represents one of the most obviously fruitful ways forward in enhancing our understanding of the complexity of public policy determination in the modern state.

The methodological progress made in recent years is considerable, but serious problems remain. Some are are largely of our own making (we might

get better pictures if we were less amateurish in our photographic technique), but others stem from the very nature of the equipment we use to conduct research (i. e. cross-national aggregate data comparison as a means of hypothesis testing). Perhaps the most obvious defect which could be remedied, at least in part by better technique, is that of making finer discriminations between the independent variables to be utilised in the analysis. This is crucial because, unlike the earlier theoretical discussion, the analyses offered by social democratic theorists, neo-marxist protagonists of the class politics paradigm, pluralists and neo-corporatists are attempting in their causal attributions to distinguish between aspects of clearly interlinked phenomena. For instance, much of the contemporary debate between these schools of thought rests not on whether socialist parties influence processes of policy determination — they are wholly agreed that this is often the case — but rather whether that influence is a consequence of direct action by governments of the moderate Left to modify public policy, of the extra-parliamentary strength of class factions opposing the reward system of capitalism, of the Left's role as one pressure group amongst many or of the mode of integration and the arrangements through which the economic and political representatives of labour participate in the decision-making process. Hence, it is quite imperative that independent variables be operationalised in such a way that they not only serve as indicators of those aspects of the phenomena stipulated by theory, but do so simultaneously in a way which discriminates between the explanatory claims of rival theories. Moreover, if the process of hypothesis testing is to be cumulative, whether in respect of some ultimate evaluation of the diverse claims of theory or with a view to an accurate mapping of policy processes, it is important that there be some consistency in the operational definitions used as proxy indicators for each separate causal attribution.

Yet, although some writers are infinitely more sophisticated and self-conscious than others in utilising a range of independent variables with fully theorised implications (even with the same equipment, some people take better snapshots than others), the overwhelming impression of some ten years of research is of the variety and inconsistency of operational definitions. The Left has been variously described as consisting of Social Democratic parties (see Hewitt, 1977; Castles, 1978; Tufte, 1979), the "non-Communist Left" (Jackman, 1975), all parties of the Left (Dryzek, 1978; Schmidt, 1982), or aggregated into categories, the theoretical implications of which are still less clear, for instance the frequent juxtaposition of Centre-Left and Centre-Right governments (Alber, 1982). Some measure party strength in terms of votes won in elections (Fry and Winters, 1970; Peters, 1974; Castles, 1978), some in terms of seats won in the legislature (Jackman, 1975; Hewitt, 1977; Keman, *infra*), whilst others concentrate on the number of years parties have been in office (Hibbs, 1977; Tufte, 1979), or construct indices which attempt to take into account some or all of these factors (Schmidt, 1982). The lack of theoretical agreement and absence of operational consensus as to the empirical ref-

erents of corporatism/neo-corporatism has been decisively demonstrated in a number of critical exegeses (see Panitch, 1979; Jordan, 1983; Steiner and Dorff, *supra*) and, certainly, there seems to be a real danger of confusion when some definitions insist on the strength and integration of the trade union movement as an intrinsic aspect of the phenomenon (Stephens, 1979:123).

Others are capable of distinguishing *varieties* of corporatism as seemingly diverse as "liberal corporatism" (including *both* New Zealand and Sweden in the same category!), "private corporatism" (Japan) and "societal corporatism" (Switzerland) (see Schmidt, 1982:147). Given such diversity, inconsistency, and the very frequent failure to demonstrate whether alternative indicators are inferior or superior in explaining the observed variation, it is difficult to escape the conclusion that many supposedly complementary or conflicting studies are simply talking past each other. It is also difficult to consider the causal sequences adduced as being anything other than more or less convincing interpretations of a reality seen only in broad outline. Without some finer distinctions, we may be able to make out the players in the thick of the action, but never whose foot actually made contact with the ball.

But the problem here is not merely one of technique. A *modus operandi* which relies on comparative hypothesis testing on the basis of a sample, or rather of a wholly enumerated universe, of advanced capitalist states, creates certain intrinsic analytical difficulties. On the one hand, the 18–22 cases generally available for inspection do not always offer a sufficient basis to discriminate between alternative explanations, however adequately operationalised. The difficulty is partly one of the collinearity of variables; that, fortuitously or otherwise, certain clusters of attributes occur together, and the number of cases is insufficiently large to determine precisely their relative explanatory power. Irrespective of how well we operationalise such factors as socialist party strength, the degree of working class mobilisation or labour movement integration into the societal decision-making structure, we have every reason to suppose that in most cases these attributes of working class influence will hang together, and, thus, appear indistinguishable without some more sophisticated close-up lens.

The collinearity of other variables may appear less obvious — there is, for instance, a strong statistical association between the strength of the political Right and the degree of openness of the economy (Castles, 1981) — but, in a small universe of discourse, it is difficult to establish by current methods whether that is accidental or a reflection of underlying structural facets of the historical development of the political economy of advanced capitalist states. On the other hand, this situation is often exacerbated by our knowledge that even amongst the relatively small number of cases which enter into our comparative analyses, there are some which appear substantially atypical; for instance, Japan in respect of its rate of economic growth, Switzerland in respect of its constitutional structure and the USA in respect of the ideological

range of party politics. Worse still, the more detailed and comprehensive our knowledge of a given country is, the more crucial such differences appear to be, and the less commensurable the country seems. For instance, a cross-national aggregate data analysis of inequality (van Arnhem and Schotsman, 1982), suggests that Sweden has the most unequal distribution of pre-tax, pre-transfer, incomes of any of the advanced countries. To the country specialist, however, that fact might be substantially explained by the unusually high proportion of women in the labour force rather than by any of the generalised hypotheses usually adduced to explain income inequality.

The latter difficulty is, of course, the one which has always been the main stumbling block for comparative analysis of whatever degree of comprehensiveness. If countries, programmes, policies, decisions, etc., are unique, or at least invariably set in a particular context, how can they be compared? In reality, no satisfactory answer can be given by framing the issue in unsubtle either/or terms. The problem can only be resolved by a differentiation of levels of analysis and through the realisation that phenomena must be studied *both* from a comparative perspective and in their own right as individual cases (for an excellent example see Scharpf, 1984). Comparison can locate similarities and differences and, with greater or lesser precision, establish the more significant factors associated with such regularities. Historical and/or case study analysis can focus on the developmental sequences by which particular instances of such regularities come about. Most importantly, the two methods used in conjunction provide a logical framework through which we may cross-check the findings of each. Problems only really arise when we claim too much for either method, or worse still, make the findings of one inaccessible to checking by the other. If our claims for particular methodological tools are too sweeping, we simply jettison the possibility of obtaining both perspective (through cross-national or other types of comparison) and detail (through the study of individual or limited numbers of cases) in our pictures of public policy determination.

In its current aggressive phase of expansion, comparative public policy analysis has produced too many studies which have fallen into this trap and has compounded this by adopting analytical techniques quite inaccessible to cross-checking against findings derived from individual case analysis. If we seek to build our analyses on the sort of elaborate comparative statistical techniques which are generally premised on the existence of far greater samples than any we possess and in which individual cases disappear inevitably into a morass of mathematical manipulation from which they can never be recovered (quite literally so in the all too frequent studies which fail to report even the values of the dependent variables used in the analysis), we will never be able to translate from the abstraction of numbers and co-efficients to the concreteness of individual phenomena which ultimately it is our objective to explain.

It is, however, certainly possible that such studies represent a temporary efflorescence of comparative over-enthusiasm. This is especially true, given that my comments appear in the context of a volume which is so ready to move from broad cross-national comparison to detailed analysis of individual routes to policy outcomes and which devotes such attention to individual decision cases. Certainly, as I shall argue in the next section, such a willingness to move to and fro between individual and comparative levels of analysis is a prerequisite for several of the more promising strategies for the future development of research into the determinants of public policy outcomes.

Finally, we come to what I consider to be the most difficult methodological issue of all. How, given the photographic techniques at our disposal, do we spot the ball? How do we discern the significant contours of policy processes and their societal consequences? And how, if at all, can we compare them? The two fundamental problems involved have already been located in our introductory discussion of the linkage between social security expenditure and income inequality. On the one hand we are frequently forced to rely on indicators, of which the relevance to final outcomes is contingent and the implications for theory are often quite indeterminate. On the other, given outcomes may be brought about through a whole range of different policy instruments. Without any criticism intended, and, indeed, with much praise for a self-conscious analysis only too rarely found in the literature, let me illustrate these difficulties further by reference to the way in which Schmidt conceptualises the dependent variable in his analysis in this volume. In footnote 4, he points out that:

Rates of unemployment measure levels of open unemployment. Thus they do not fully take account of a number of other important aspects of labour market performance, such as the labour force participation rate, the level and the change in total employment, the proportion of the population of working age, the number of actual hours worked and the extent to which the number of discouraged workers biases unemployment figures (*Supra* p. 9).

To Schmidt's considerable credit, he does discuss many of these other aspects of labour market performance and, significantly, does so in a way which clearly demonstrates their differential impact in diverse countries. The point to be noted here is that each aspect mentioned is a facet of the inadequacy of rates of unemployment as an indicator of the strength or weakness of labour market performance. If the ultimate objective of the analysis were to assess that performance in overall terms, one might well have to, as Schmidt frankly admits, modify quite considerably conclusions derived from unemployment rates alone.

Moreover, open unemployment is not necessarily of greater theoretical relevance than these other aspects of labour market performance. Reserve armies of the unemployed need not today consist only of lines of men patiently queuing for the dole. They can also be formed by raising the school leaving age, introducing job retraining schemes, and by the retreat of women from

the workforce. An exclusive focus on rates of registered unemployment would undoubtedly lead to highly misleading conclusions concerning differential rates of labour utilisation in mixed economies. Schmidt, of course, recognises all this and, besides pinpointing diverse roads to full employment and to mass unemployment, he demonstrates admirably the variety of mechanisms through which labour supply can be controlled within the context of a capitalist economy. Obviously, this does not mean that nations do not vary in the importance they attach to maintaining overall levels of labour utilisation, any more than our previous point concerning the indeterminacy of the link between social security spending and equality of income distribution means that there is no cross-national variance in welfare outcomes. It does, however, certainly suggest that we need to be more aware of the variety of means by which outcomes may be achieved than is much of current research. That awareness should only be heightened when we consider the obvious point that the means chosen to bring about a given policy outcome in a particular area may influence others, as reducing open unemployment by increasing the school leaving age affects educational outcomes, or the retrenchment of women workers in time of recession may deleteriously influence the achievement of policies aimed at greater sexual equality.

One way out of some, but by no means all, of these difficulties involves a conscious attempt to fashion new indicators which are both more closely linked to societal outcomes and more directly theoretically relevant. In the welfare field, for example, Catherine Jones has recently suggested that, in addition to the conventionally utilised measures of aggregate social spending, we should try to develop indicators more capable of differentiating the nature of the social policy goals underlying such spending (Jones, 1985). Certainly, if this were possible, it would undoubtedly help enormously in discriminating the circumstances under which welfare expenditure contributed or failed to contribute to the achievement of great income equality. Differentiation of this kind is definitely the appropriate response in research areas in which crude output measures masquerade as indicators of final outcomes. However such an approach is of little assistance when our foremost problem is the diversity of means by which policy goals may be attained. When this is the case, it is necessary, as will be argued in the next section, to turn from cross-national analysis as a mode of testing hypotheses concerning the broad structural similarities and differences of particular groups of nations and use it instead as an instrument for locating the contextual diversity between patterns of policy evolution in specific nations.

Getting a Better Close-up

But let us be aware of a misunderstanding from which the comparative method has only too frequently suffered. Too often people have believed or affected to believe that its only aim is to search for similarities . . . On the contrary, the comparative method, rightly conceived, should involve specially lively interest in the perception of differences, whether original or resulting from divergent developments from the same starting point.

Marc Bloch

The virtue of the camera is not the power it has to transform the photographer into an artist, but the impulse it gives him to keep on looking.

Brooks Anderson

Given the theoretical and methodological problems which remain despite a decade of considerable expansion and progress in comparative public policy analysis, it is necessary to ask whether there exist further means of obtaining a more close-up definition to our picture of public policy outcomes and their causes. An initial step is to ask what precisely is the status of the knowledge we already possess. On the one hand, as has been argued in the first main section above, there is a set of theoretically derived propositions or hypotheses, which still derive something from the theoretical primacy assumption and are usually conceived of as answers to the question: what is *the* main cause of similarity or diversity in public policy outcomes? They might, however, more profitably be considered as the currently available sub-components of the question: to what extent do these factors, together or separately, provide some purchase on the nature of public policy variance? This latter question is, implicitly or explicitly, the one which has informed most of the more sophisticated studies in comparative public policy analysis in recent years, and its value as a guide to research is clearly displayed throughout this volume. On the other hand, there are the findings of the many individual studies of public policy outputs or outcomes, which are generally regarded as affirmations or refutations of particular hypotheses derived from theory. They assert that, for a given group of countries in a given policy area at a given time, there is some *prima facie* evidence of a degree of association between stipulated policy indicators and one or more other variables. The problem I now wish to consider is how we might proceed to build on this admittedly modest base in order to obtain some greater resolution of those parts of the picture which remain blurred, and which prevent us from fully comprehending where and what the action is in our snapshots of reality.

The concluding pages of a long volume reporting complex substantive research findings is scarcely the place for a detailed research agenda for future studies, and all that I intend to offer here is a brief sketch of three possible strategies by which a better close-up of some aspects of the policy process might be sought. The only common thread which links the strategies is that, rather than concentrating on the explanation of broad structural similarities which characterise groups of nations, they encourage a focus on the diversity of policy determination processes, whether in particular arenas or particular

nations. The comparative method is, of course, both a mode of exploration and a means of explanation. It is, however, my contention that the development of comparative public policy analysis has hitherto tended to emphasise the latter function of comparison at the expense of the former, forgetting that, in relatively uncharted territory, exploration is logically and empirically prior to explanation. Finally, I should like to stress that, although the three strategies to be outlined are quite different in many respects, and address themselves to particular methodological impasses in the literature, they are presented here as complementary rather than mutually exclusive approaches to the study of public policy. It is my view that all three might be fruitfully employed in respect of different analytical problems. Indeed, I would further argue that to use more than one of them simultaneously might very frequently be exactly the trick for getting the best out of our photography. Looking at the same phenomenon from many diverse perspectives is often the only way to discover what is really going on.

The first strategy — that of locating *patterned variation* in the determination of policy-outcomes — can be characterised by saying that we should simultaneously claim less for our studies of comparative policy-outcomes and do more of them. It is the obvious next step once we embrace the more differentiated perspective which I have suggested is emerging in recent comparative studies. The process of differentiation is valuable precisely because it allows the re-combination of now distinct elements into patterns which are more meaningful than the blurred original. In terms of our analogy, we are more likely to get a clear picture of the whole by meticulously piecing together many close-up and, preferably, time-lapsed shots of parts of the pitch than we should from a single picture taken at a distance or by a process of deduction from a snapshot of a particular slice of the action. The adoption of such a strategy was the foremost plank of the research agenda of the ECPR research project on "Party Differences and Public Policy Outcomes", the first findings of which were reported in *The Impact of Parties* under my editorship (Castles, 1982). There, as in the present chapter, it was argued that it is illegitimate to generalise beyond the bounds set by the particular manifestation of policy at a particular time. All that could be said for a particular isolated finding is that it might be suggestive of a causal relationship if, and only if, it is supported by the results of further studies conducted in other policy areas or in the same policy area at other periods. In other words, for research to be worthwhile it must be cumulative.

The more studies that are undertaken, the more it may prove possible to establish either substantive, temporal or conjunctural patterns of policy determination valid for all capitalist democratic states. A *substantive* pattern would be one where for a given area of policy the relationship of variables was more or less invariant over time. A *temporal* pattern would be one where the degree of association between policy outcomes in a given area and a range of assumed independent variables could be replicated for other policy areas in the

same period. Finally, a *conjunctural* pattern might be established by studies demonstrating that one or more policy areas were ruled by different sets of causal interrelationships, depending on the occurrence of diverse configurations of historical conditions. Obviously, the location of both substantive and conjunctural patterns necessitates that we bring a notion of time into our analysis, and, certainly, only by bringing together cross-sectional and time-series data will we ever be able to surmount the problem previously noted, but not discussed, of obtaining some perspective of the manner in which play builds-up in the public policy game. It is my impression, and one strongly reinforced by the studies which appear in this volume, that so far very little evidence of substantive patterns has been offered (which itself argues very decisively against most variants of the theoretical primacy assumption). However, it seems that there is rather more support for the assertion of at least partial temporal patterns (i. e. that cognate policy areas may respond to the same stimuli in particular periods) and, in particular, for conjunctural patterns, which suggest that the interaction of policy and political variables may be conditioned by contextual factors, such as the extent of economic growth, the degree of external vulnerability or the perception of economic crisis.

A second strategy — foreshadowed, although hardly explored in any detail, in *The Impact of Parties* — may be described as the *critical case method*. In contrast to the location of patterned variation, the objective here is not the gradual accretion of piecemeal information, but rather the identification of cases critical for theory construction and/or hypothesis testing. Critical case analysis becomes a viable research option when historical circumstances throw up cases which either appear anomalous in terms of our received knowledge or where circumstances produce what amounts to a quasi-experimental situation in which contending hypotheses may be assessed. Both can be seen as instances in which comparison as exploration assumes the predominant role, with generalisation from a given universe of discourse subordinate to efforts to test those findings by further analysis of specific instances. A detailed close-up on anomalous cases is merely an extension of the excellent practice in more sophisticated applied social research of focusing particular attention on the explanation of residuals and outliers. That is, of course, precisely the technique by which Schmidt identifies the countries which figure most prominently in his analysis of successful labour market policy; they are those which have "*too much* full employment *relative* to the strength of the pressure generated by structural-economic characteristics of these nations." (Schmidt, *supra*, my emphasis).

Quasi-experimental situations occur when circumstances produce a case in which it appears manifestly obvious that for an hypothesis to be acceptable certain determinate events must take place. For instance, one might well assume that if the social democratic model is an adequate account to the thrust towards welfare state expansion, the fall of the Swedish Social Democratic government in 1976, after some 44 years in office, should have led to some

major changes in social policy stance. Similarly, if an hypothesis I first advanced in 1978 is correct, that a strong and united party of the Right serves as an impediment to welfare spending (Castles, 1978), the fall of the Australian Liberal-Country Party coalition in 1972, after 23 years in office, should have led to marked increases in social expenditures. Any major anomaly or reasonably dramatic change in a variable which is supposedly relevant to policy should provide a natural focus for comparative investigation. This may, like the controlled experimentation of the natural sciences, serve to falsify our hypotheses and theories, frequently rather more effectively than through the statistical manipulation of cross-national data. Or, it may at least compel us to realise that they are far more simplistic than is warranted by the available evidence.

Critical case analysis is not merely a useful additional methodological tool for discriminating the impact of the independent variables which figure in comparative policy analysis, but may also be useful in providing a means for obtaining a degree of discrimination which would be impossible using conventional statistical methods. It was argued above that one of the more ineluctable difficulties confronting researchers in comparative public policy analysis was the collinearity of variables in an inherently restricted universe of discourse. That problem may, at least to some extent, be overcome where we are able to locate and investigate particular instances where clusters of attributes normally encountered do not hang together in the usual way. To give a non-policy related example, it is extremely difficult to distinguish between the impact on party discipline of parliamentarianism as a general phenomenon and of the more specific consequences which flow from the power of parliamentary dissolution. However, that difficulty might be obviated by a critical case analysis of Norwegian parliamentarianism, since Norway has the one parliamentary system in which dissolution is constitutionally precluded.

In my own recent work (Castles, 1985) I have attempted to use such a strategy to discriminate between the impact of the partisan control of government and extra-parliamentary class politics on the development of the welfare state by focusing on social policy evolution in Australia and New Zealand, I argue that these countries should constitute critical test-cases for the main hypotheses derived from the social democratic model and the class politics paradigm. This is the case because both countries have been characterised for much of this century by an anomalous configuration in which the normally used indicators of working-class political strength, in particular trade union membership and Labour voting, are at the top of the distribution for the advanced democratic states (e. g. the average vote for the Australian Labor Party this century is higher than for any other democratic socialist party in the world), whilst both countries have only rarely had Labour governments in office. Where, in most other Western states the collinearity of measures of working-class strength and partisan control is very high, we cannot readily distinguish their separate impact; in Australia and New Zealand such a task

should be rather less difficult. According to the social democratic model, premised as it is on the ability to control the state apparatus, the outcome of this configuration should have been a weak expansion of the welfare state, whereas the strength of the working class as a whole might lead adherents of the class politics paradigm to an opposite prediction. At least, from about 1930 onwards, I would suggest that the social democratic model has the best of this argument, although I would not wish to claim too much for the critical case method on the basis of this particular example alone, since my historical and comparative study of these two countries reveals a complexity of social policy development unamenable to explanation in terms of any single hypothesis. Nevertheless, I would argue that we have much to gain, and absolutely nothing to lose, by focusing on such cases, since even the revelation of complexity where our hypotheses tell us to expect straightforward answers should provide an incentive for a reassessment of current knowledge.

The third strategy I would advocate is premised on the need for a much more conscious appreciation on the part of public policy researchers that policy objectives cannot always be readily measured by quantitative indicators which apply to the limited universe of discourse constituted by the advanced democratic states. As we have emphasised at several points in this discussion, the real substance of the difference in policy outcomes between countries is often less a question of providing more or less, but rather of achieving sometimes rather similar objectives by wholly dissimilar means. An interesting example which is frequently adduced in the social policy literature is the provision of welfare benefits by private enterprises in Japan, which not only raises a whole series of issues about the extent to which public and private mechanisms can substitute for each other within the context of economies which are identified precisely by their "mixed" character (Heidenheimer *et al.*, 1983:12), but also provides one clue towards the resolution of the paradox mentioned in the introduction: that Japan, amongst the lowest social security spenders, has one of the most equal of income distributions in the Western world.

Another example from my recent research, and also with important implications for the Australian example of that paradox, concerns the use of judicial mechanisms to regulate wages in such a way as to produce social policy goals. On the surface, the low levels of social expenditure in post-war Australia and New Zealand appear to be more consonant with a social democratic than a class politics hypothesis, but that view may require reassessment in the light of the compulsory arbitration systems that have distinguished both countries for much of this century. The objective of arbitration was, in the words of the Australian Harvester Judgement of 1907, to set a level of wages which was "fair and reasonable", with that phrase being interpreted in terms of "the normal needs of the average employee, regarded as a human being living in a civilized community" (Clark, 1981:286). The social policy implications of such a formulation of the objectives of the wage fixation system are quite apparent when we contrast it with T. H. Marshall's elaboration of the

social rights of citizenship crystallised from the 'substance of the British Beveridge reforms of some 35 years later. These rights are postulated as consisting of "the whole range from the right to a modicum of economic welfare and security to the right to share to the full the life of a civilized being according to the standards prevailing in the society" (Marshall, 1963:74). It is at least arguable that compulsory arbitration succeeded in providing social rights of citizenship to a considerable, and politically decisive, section of the population — i. e. male wage-earners — in Australia and New Zealand at a date much earlier than in the vast majority of advanced democratic states. Moreover, to the extent that this was so, it is the less surprising to find in Australia low social security spending in conjunction with comparatively low income differentials, since the chosen mechanism of redistribution was, unlike in the European nations, not the enhancement of the social wage by reformist governments, but the control of wages through judicial action.

A strategy which is based on an appreciation of the diversity of policy instruments by which similar objectives may be realised might be labelled a *contextual* or even, simply, a historical approach. Only when we seek to obtain a closer focus on the detailed historical evolution of particular policies in particular countries can we gain a better understanding of the complex interaction of the multiple variables which jointly influence policy development. A historical approach is useful for at least two reasons. Firstly, because it encourages us to seek out when and why policy systems and outcomes begin to diverge. Thus, for instance, the development of the Australasian wage regulation systems and their impact on the development of social policy can only be understood in terms of the defensive attitudes of the strong working-class movement at the turn of the century. Because of high wage levels, (at the time these countries were in *per capita* terms the richest in the world, with probably the most egalitarian distribution of incomes of any advanced states — so a number of hypotheses of a socio-economic kind return to the policy equation as part of its contextual back-drop), the working class had a great deal more to lose than its chains. Secondly, a historical approach is important because it allows us to bring back into the policy outcomes arena a whole area of causation which is systematically ignored in much of the current, theoretically-inspired literature of comparative public policy studies; namely, the complex and evolving interaction of political actors — whether governments, parties, classes, groups or individuals — whose capacity to influence public policy development is conditioned, but by no means wholly determined, by their own understanding of the historical constraints within which they operate.

To argue for the adoption of new techniques by which we may obtain a better close-up of processes of public policy determination is not to reject the contribution made by the last decade's progress in the elaboration of theory or the sophistication of hypothesis-testing. My point is simply that such techniques are required if we are to surmount the methodological hurdles of

which the progress in comparative public policy analysis has made us increasingly aware. Still less should my emphasis on divergence and historical development in particular countries be taken as a covert attempt to bury the comparative method as a tool of inquiry. Uniqueness — whether of roads to full employment, paths to social policy development or, indeed, any other aspect of public policy — is not the antithesis of comparison in the way which is sometimes thought. It is not the case logically, for the idiographic methods of historians necessarily involve implicit or explicit comparison of the manner in which individuals, groups or classes act under particular circumstances. It is also not the case in practice, for the location of uniqueness is only made possible by reference to other experience. Indeed, to the extent that our ultimate focus remains upon the explanation of divergence once located, such an approach constitutes a prior step in the development of an infinitely more differentiated picture of the interaction of variables determining the range of policy outcomes in the modern state. It is, in other words, a necessary prologue to what could well be the next significant step in the progress of public policy analysis, the emergence of a *comparative history* of public policy development.

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