

Institutional theory and democracy

Bogason, Peter

Publication date:
2004

Document Version
Publisher's PDF, also known as Version of record

Citation for published version (APA):
Bogason, P. (2004). *Institutional theory and democracy*. Roskilde Universitet.
http://www.ruc.dk/demnetgov_en/working_papers/

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain.
- You may freely distribute the URL identifying the publication in the public portal.

Take down policy

If you believe that this document breaches copyright please contact rucforsk@kb.dk providing details, and we will remove access to the work immediately and investigate your claim.

CENTRE FOR DEMOCRATIC NETWORK GOVERNANCE

WORKING PAPER SERIES

INSTITUTIONAL THEORY AND DEMOCRACY

PETER BOGASON

WORKING PAPER 2004:7

To be published in Peters and Pierre: *Debating Institutionalism*. 2005.

CENTRE FOR DEMOCRATIC NETWORK GOVERNANCE
ROSKILDE UNIVERSITY, BUILDING 25, P.O. BOX 260,
DK-4000 ROSKILDE, DENMARK
WWW.DEMNETGOV.RUC.DK
DECEMBER 2004

ISBN 87-92063-13-6

ISSN 1902-0058

1. Institutional Conceptualization of Democracy

This chapter deals with theoretical conceptualizations of empirical changes in democratic political systems. The world is changing in different ways; some areas see the rise of parliamentary democracy; some see apparent democracy but in actual fact they experience autarchy or despotism; some become part of supranational cooperation while others attempt to close their borders. Since there is no overall pattern to be found, we must restrict the task, and I chose to discuss some changes in Western liberal, mainly European, democracies and link those changes to institutional theory.

So the research question is: How do institutionalists understand what is happening to democracy under change in the Western democracies? National organizations - parliaments, interest organizations, state bureaucracies - grew in strength during much of the 20th century and established a specific order among them. Now they seem to be weakening in many states and new forms of organizing¹ are appearing. It seems that, conceptually, these countries are changing from being understood in terms of one overriding concept - parliamentary democracy within nation-states - to being characterized by a plurality of democratic channels, possibly competing with one another for influence. Since democracy may be analyzed in institutional terms, institutionalists within political science have the task to conceptualize the changes and come up with satisfactory analyses and explanations.

In general terms, we shall discuss changes at two levels. Within some nations we witness a move from grand-scale aggregative democracy, which focus on political bodies handling general societal problems, to small-scale integrative democracy, which creates smaller publics for more specific problems. At the international level, however, there is a movement towards larger international regimes which reduce the role of the nation-state in questions concerning individual rights and the market, while they keep some national leverage in questions of redistribution and economic development.

These changes lead to increasing variety in democratic systems and channels. International regimes provide new input from the EU, Human rights and so on Particularized public sub-national channels provide citizens with new channels of influence, re-organizing the public

¹ "Organizing" is used as a substantive to stress an understanding of dynamic and processual terms, in contrast to "organization".

sector and enhancing citizen influence in their roles as users. Acknowledgment of alternate values in public solutions of welfare creates diversification produced by third sector organizations and various movements. Cultures which stretch across borders are gaining strength, allowing for some degree of regionalism, the Basques are but one example.

In the academy, new theoretical concepts compete to structure our thinking about democracy. They are not clear-cut alternatives. Some prominent examples are deliberative democracy; associative democracy, and other ways of organizing based on civil society; and international or cosmopolitan democracy. These concepts relate in various ways to the "new" empirical channels of influence.

Below we shall first focus our attention on two particular institutional conceptualizations - the aggregative and the integrative - of democratic affairs. Some empirical evidence of trends within democracy in Western countries is then discussed, and three recent forms of democracy are singled out for closer inspection. This leads us to a discussion of how institutional theory has been helpful in understanding developments within democracy.

2. Institutional theory of democracy

Institutionalism has become a comprehensive heading, and there is hardly agreement about how many schools of institutionalism we may find. Among those who want to synthesize, B. Guy Peters has found seven (Peters 1999), but many want to reduce the number to three (Dimaggio 1998), namely: Rational Choice Institutionalism; Organizational or Sociological Institutionalism and Historical Institutionalism - each of those may be labeled as various "new institutionalisms" with different flavors within economics, political science, and sociology. Some observers disagree with such simplification (Nielsen 2001), and most would acknowledge that there are boundary-crossing elements in most practical uses of each approach. The three forms are presented in the introductory chapter of this book by Guy Peters, and the question now is how to deal with them since space precludes us from any detailed discussion. Good examples of their use is found in Elinor Ostrom's discussion of democratic (self-governing) ways of avoiding the tragedy of the commons (Ostrom 1990); in James March and Johan P Olsen's analysis of democracy (March and Olsen 1995), and in Dietrich Rueschemeyer and colleagues' discussion of economic development and democracy (Rueschemeyer, Stephens and Stephens 1992).

Guy Peters mentions three unifying features of institutional theories. Firstly, structures matter. Secondly, structures have some continuity (persistence). Thirdly, structures create human regularity. These features are played out differently in the various institutionalisms. For instance, rational choice institutionalism is more open to the possibility of rapid change than are the two other institutionalisms. Structure matters differently to different types of actors; they may be changed over time and thus the regularity they create is not supposed to be stable over time.

The main difference between rational choice and organizational theory institutionalism is rooted in the value system. Rational choice institutionalism is in a sense color blind. If individuals can agree upon a task to be solved by collective action, they may do so, and the theorist may help them in setting up a rule system that helps reaching their objectives, no matter what they are. Organizational theory institutionalism places greater demands on the anchoring of democratic governance in values that have a more comprehensive content, the contours of a good life, also materially (redistribution).

Historical institutionalism differs from the two others. First, historical institutionalism is more descriptive (but that is not to say value free) and hence useful as a tool of analyzing the past, but less so in discussions of present and future change. Second, it has in its core understandings much in common with the organizational institutionalism. Though it is not formulated in these terms, there is a strong notion of path dependency, routines and stability, and little emphasis of the role of the actor. Conversely, the Rational Choice institutionalism favors change, possibilities of institutional design and the role of an active actor. In other words, the Rational Choice and Organizational institutionalisms place more emphasis on some normative aspects (change and stability, respectively) of the analysis, which makes them relatively more useful in the ensuing discussions of what democracy is about.

Therefore, we shall reduce the complexity of the discussion by focusing on two forms institutionalisms: Rational choice and Organizational. So, for the remaining sections of this chapter, we shall let historical institutionalism wither away. We shall make use of March & Olsen (1989, 117-142), who discuss two ways - aggregate and integrative - of understanding democratic institutions; each one has a strong resemblance to the Rational choice and Organizational institutionalism, respectively. The first institutional system stresses competition

between conflicting interests with an aim to creating adversarial winning coalitions, the second stresses integration of interests into a common good or purpose based on community.

The *aggregate* perspective, in its modern version, is based on the enlightenment revolutions of the late 18th century in the USA and France which inspired most Western democracies as they unfolded during the 19th and 20th centuries, building up contractual relations between political actors. The aggregate perspective commences with the individual, giving him (it definitely was a male at that time) certain rights that protect him from undue interventions from the state, but at the same time those rights make it possible for him to have a say in how the state rules the society. Participation in public affairs is mainly linked to material interests and mostly occurs *ad hoc*; political parties and interest organizations function as watch dogs for such interests, relieving the individual from the arduous task of continuously pursuing political goals. The political leadership is seen as an intermediary between competing material interests, always bound to decide along the lines supported by a majority among politically active actors. Institutions and procedures are organized so that they guide actors to perform according to their preferences, under the assumption that any action is countered by action by other actors, thus creating continuous processes of weighing and counter-weighing interests. Participation in political life therefore is partial, and linked to an active, and mostly personal, material interest in the allocation of goods and values; when the issue has been settled, one withdraws from the scene - but one is ready whenever new initiatives are felt to be necessary.

The *integrative* perspective is rooted in a republican or communal understanding of the world, emphasizing the need for bonds between the members of the institution to secure supra-individual goals of survival, and the obligation for the participants to actively reinforce those bonds by participation in political life. So, a departure is taken from the collective, and individual action is judged on the basis of its contribution to the common good. In return, minorities have guarantees against systematic defeat by a majority. Politics in such a setting deals to a large extent with establishing and confirming the purposes of the collectivity and maintaining the support of members by securing their trust in the common good. Officials act on the basis of an ethic that goes beyond the individual, for example by professional norms or organizational goals and procedures, as in Weber's understanding of bureaucracy. Since the overarching issue is persistence of the community, participation in political life is linked to continuing membership of

a deliberating community and participants are expected to raise voice on issues beyond their personal material interests.

Important elements of these two understandings are summarized in figure 1.

	Aggregative institution	Integrative institution
The people:	cluster of individuals	a group
Will of the people:	bargained	deliberated
Base of order:	exchange	reason
Leadership:	brokerage	trusteeship
Change:	instantaneous	adaptation
Majority rule:	dominant	curbed by norms
Policy outcome:	allocation of resources	shared purpose & trust
Loyalty of agents:	incentive compatibility	professional integrity

Fig. 1. Aggregate and Integrative Institutions

Based on March and Olsen (1989, 118-119)

The traditional, democratic version of the aggregate institution is national parliamentary democracy where representatives are elected for parliamentary sessions in order to decide on matters that involve the allocation of scarce resources. The development of political parties and interest organizations as important intermediaries in such a system is well known for this audience and need no further detailing here. The idea is that once representatives are elected, citizens need not continually worry about their interests; these are taken care of by the representatives. However, some activity by the electorate is possible and desired for example via expressions of demands made through the mass media and various organizations, plus personal contacts, if necessary, in staged meetings in the constituency. As a matter of fact, too much activity on part of the electorate will destabilize the functioning of the system because it gets overloaded by communication. Discussions are to be made between representatives, not between representatives and electorate. The voters are supposed to wait with their final judgment until the

next election day - and then inattentive representatives are punished by not being re-elected. There are instruments of communication besides the vote: mass media are supposed to serve as channels for the public at large, and, in addition, the editorials of daily papers see to it that political actions are commented upon. However, if the holders of parliamentary seats choose so, they can stay in power for a relatively extended period of time without really taking in new points of view from the electorate. Therefore, if a new majority takes over after an election, one must expect rapid changes in order to accommodate alternative points of view.

The traditional version of the integrative model of democracy is the Greek republic where citizens, more or less in turn, are vested with public powers as trustees on behalf of the body of citizens. Carrying out these powers, however, presupposes that those who are affected by proposals for public action are invited to comment on and thus influence matters of their concern. At the same time, however, matters concerning an overarching good must also be furthered. The role of the trustees, then, is to secure continued deliberation between interests and thereby step by step advance towards common action and understanding. In the aggregate system, changes may come swiftly with a new majority, in the aggregate institution there will be few dramatic and instantaneous transformations. In small systems, members will be involved as often as possible. In larger systems, one must expect frequent checks on the sentiments of the citizens, but in addition, norms for political action are continuously linked to rationales that go beyond the party political ideologies. Thus professional norms may become important as carriers of public action over time, serving as determinants of what makes sense, what constitutes proper reason for intervention (or inactivity, for that matter).

3. Developments in democratic affairs in European societies

Having established the perspectives of aggregative and integrative democracy, we can take a quick bird's eye view of European trends in democratic governance. The overall pattern is as follows. Eastern Europe is strengthening its aggregate institutions by (re)introducing genuine party politics and parliamentary systems; in democratic terms the focus is on creating national parliamentary institutions, economic markets, and viable civil societies. In Western Europe, it seems fair to say that there is a certain pressure for aggregative democracy, first of all in the European Union to strengthen public control with the executive in Brussels by bolstering the

European Parliament. Within the national boundaries, the Southern countries seem to strengthen aggregative democracy by reinforcing regional institutions in the form of (quasi)-parliaments based on party politics. In Northern Europe, however, changes come about by changes in sub-national governance, in many countries favoring integrative institutions. And across all countries, international regimes are getting influential by regulating limits for suppression (Human Rights) or setting up organizations and procedures for supra-national policy-making (EU).

We shall go through some of the changes in some more detail below, but space precludes an in-depth discussion. We therefore rely on other sources which are pulling the pieces together.

3.1. Changes in traditional forms

In most countries, support for political parties in terms of membership has been on the decline (there are exceptions to this rule with some parties, from time to time, gaining new interest), and in some countries there has also been a decline in participation in general elections, and a certain disillusionment with traditional politics (Pharr and Putnam 2000). This coincides with the general tendency towards the weakening of the nation state in favor of supranational regimes like the E.U., the system of human rights and so on, and consequently there has been a certain hollowing out of the powers of national parliaments (Hoffman 1995). In addition, parliaments have seen that the powers of national administrations and to some degree of interest organizations have been strengthened, at least relative to the political parties (Cerny 1990).

One response has been a strengthening of the professional party apparatus - requests for more funding from the national budget (typically relative to votes at the last election). The parties' increased income has enabled them to strengthen the salaried staff and thus help members of parliament counter the expertise of the central administration. This is what one may call an oligarchic organizational response: if the public does not support us, we must show our worth by doing a better (more professional) job, furthermore we need to strengthen the organization to meet challenges in terms of information processing and so on. So the basic institutional features remain unchallenged, and the politicians are strengthened in order better to address the people at a distance.

Another response within the basic paradigm of having political parties as the main mediating organizational form, has been to increase participation and/or the range of choices. Some

countries still had to lower the voting age to 18, and Switzerland finally included women in the electorate. But another solution focusing on the apparatus has been to let more offices be subject to direct election, for instance the mayor of a city could be elected by the citizens instead of by the town council. This is a perceptible inclusion of an integrative element: The leadership is now dependent on the people rather than the majority of the elected assembly - for election, but not for handling affairs like the budget.

In sum, then, there is less support to collectivism in the traditional form of political parties, and the left-right division and hence the traditional cleavage is becoming problematic as welfare states reached an advanced stage. There is more focus on political leadership and the institutional arrangements for its creation and loyalty. Still, citizens see a need for more action by the people, though, and support other channels of influence, as we shall see below.

3.2. Emergence of new forms

Several new forms, often not directly linked to the political parties, have emerged. Many countries have chosen to open up more direct channels for public participation in political decisions, a development which is strongly supported by the OECD. The OECD has analyzed the state of the art within the field (OECD 2001) and published a handbook to encourage governments to open up channels for more participation through better access to information, and more fora for consultation and participation (OECD 2001). The underlying issue for the OECD and for other players in the field is to enhance possibilities of deliberation for the general public and link its consequences of the deliberation to the decisions to be made.

As part of creating a more informed public, many governments at all levels create web sites to inform people about their activities. Such sites are mostly one-way channels of information, but they may develop into quite sophisticated portals on public policy with links to other information sources (Bogason and Hegnsvad 2002). Generally, the more sophisticated these sites are, the more computer literacy is required, along with some knowledge about how decisions in the public sector are being made. Nonetheless, there are ways of organizing computer screens so that the literacy barriers are lowered.

Most countries strengthen channels to enable legal and professional reviews of political and administrative decisions. Some countries with legal systems which permit this have chosen to

introduce more extensive court reviews, empowering courts to question decisions made by political bodies and - with some variation - order or recommend changes or reversal of such decisions. Other countries create specialized complaint systems relating to various policy issues, these are often based on boards presided by a judge; the other members may be citizens or interest representatives. Furthermore, Ombudsman-like institutions have been set up or strengthened in various countries (Gregory and Giddings 2000).

Increased deliberation is, in many countries, based on the well-established procedure of hearing various interest organizations before a bill is made law is voted on?. Active deliberation, then, is restricted to organized interests; this is increasing in scope in many countries, and some have chosen to televise grand committee hearings and thus create an informed public which can then express its opinions on that basis. An organizational extension of process hearings is to create advisory bodies which may include members appointed by a public body, but often they are there on the basis of nominations made by various organized interests. At the local level, *ad hoc* citizens' committees may be formed to institute hearings and negotiate possible policy advice to a body politic.

In some countries, decision-making regarding the quality of public services is being taken from the bargaining forum of the political parties to the reason-based and more closed deliberative platform of the users of the services (Sørensen 1997). Technically, powers are being decentralized to the service organizations - that is schools, kindergartens, homes for the elderly, libraries and so on. In some countries, the users may gain influence through the creation of a Board of Directors for each organization, with the users in the majority, elected by and among the users of the organization. The boards decide on general principles for the service production and approve budgetary allocations and the hiring of staff.

One further possibility is to let more political questions be directly influenced by the people. One version is to let citizens take initiatives for legislation, to be decided by the relevant legislature of local political body. This strengthens contacts with the people, but reserves the politicians the right to decide.. But questions/issues may also be decided by the people rather than on the parliamentary floor - by introducing referenda or by letting more decisions be made by referenda, typically grand issues like rejecting a bill *in toto* or joining the Euro. Another voting possibility is issue voting by computer access after a panel hearing.

In sum, then, there are certain traces of more individual access and an insistence on basic rights. However, the organizational responses are not an enhanced version of aggregative democracy; the thrust of the changes is towards integrative measures, but to some degree within delimited publics. There is a growth in issue-orientation and a corresponding growth in differentiating organizations which participate in a growing network of deliberation among interests. This strengthens adaptation rather than quick change and puts more focus on leadership as trusteeship. One may say that the individual does not try to exercise his/her traditional role because it is clear that it will have little effect, but by organizing *ad hoc* one gains in strength and may later reorganize for new purposes.

3.3. Searches for supranational democracy

Most features of democracy have for 200 years been strongly linked to the nation-state; witness the contents of the constitutions which generally guarantee a number of rights to permit citizens to perform democratic roles. But, for a long time, the Western nation-state has been declining in terms of autonomy. The clearest examples are found in the European Union, which from starting as a free trade agreement half a century ago has now developed into the European Union. Although it has its own unique features, the EU is approaching the status of a confederal system, and the member states must implement a large number of decisions made by the European Council and the Commission. The role of the national parliaments has declined accordingly. But the existing models for participation of the general public are mirrors of aggregative democracy (the European Parliament) plus some organizational representation (Social and Economic Committee and the Regional Committee).

Other international regimes like Human Rights have focused the attention of political, administrative and court processes, on the rights of citizens. As a consequence, several countries - much to the surprise of for example some courts - have experienced that some of their processes have been declared in violation of Human Rights, and they have had to change such procedures according to specifications by the International Court in The Hague.

Supranational changes, then, go in the direction of a traditional parliament and advanced deliberation between governments and NGOs (McGrew 2002), resulting in networks which are

mainly issue-based; there are, however, a few trends in the direction of the integration of fora into the EU, witness the Commission's White Paper on European Governance from 2001.

3.4. Consequences in institutional terms

A general theme arising from the developments discussed above is that new forms of democracy are challenging old forms which to some degree respond by incremental changes within their own logic. There are trends - particularly within nations and mostly in Northern Europe - towards a reduction of the importance of aggregative democracy and an increase in integrative democratic channels which together form various versions of networks for deliberation.

Some of the changes may be interpreted as being rooted in the concept of the citizen and his or her relations to aggregative democracy: citizens have voting rights and use those rights to influence their representatives at the political assembly - based on the rules for discourse in the Bourgeois Society as it was established in the 19th century when democracy was introduced in most European countries. The people were to be heard, but its enlightened representatives would do the decision-making. And political parties were important intermediaries between the citizens and the political assemblies.

Less so today. Maybe one could say that in the advanced countries, there is not much left to fight about in terms of the traditional left-right scale, the welfare state is well established and is not likely to go away, although it may not survive as a once-and-for-all fixed state form, as concepts like the *Third Way* (Giddens 2000) and the *New Political Culture* (Clark and Hoffmann-Martinot 1998) indicate. As a consequence, the confrontations between the haves and the have-nots mean less, and there is, by now, not so much to bargain for as a Zero-sum game, and more to deliberate about, albeit often only resulting in marginal changes. Parallel to that, the general "public interest" is on the wane in favor of specialized interests, just as we can see a general tendency towards fragmentation of the advanced Western societies; this is increasingly discussed in professional rather than party political terms.

To some degree, national changes are countered by international regimes which overrule some national rules to create equal rights. But the role of the EU is more that of guaranteeing the working mechanisms of market systems than to enhance society's solidaristic movements. Still, the international changes are more in the aggregative than in the integrative direction with

individual rights much in focus. International regimes do not receive much of democratic input from citizens. But in so far as they develop integrative democratic mechanisms by, among others, the uses of the predominantly professional agendas of NGOs, they may still work to our satisfaction in spite of the fact that we are not involved as individual citizens.

4. Competing theoretical understandings of new forms

There is a large territory of theory addressing the changes in societies from various perspectives. Below we present them based on an understanding of institutionalism that involves rules and norms for action, positions for action and the sort of order they create (Bogason 2000, chap 5). These elements are used in the text, but not in a special matrix-like way, they rather permeate the discussion. The schools of thought we discuss are deliberative democracy, associative democracy and various uses of civil society, and transnational democracy.

4.1. Deliberative democracy

Deliberative democracy is a very broad category and it is found in many variations, see for example Bohman and Rehg (1997). In its most general sense, deliberation is a basic ordering principle in any democratic system; election campaigns and discussions in parliamentary sessions are all part of a deliberative system specifying roles in and purpose of the discourse as well as rules of procedure.

There are other versions of creating discussions about the decisions of elected bodies and their administrative agencies. Hearings instituted by public administrations have been set up in order to secure compliance with future administrative rules and avoid mistakes about the actual state of affairs among those affected by the rules-to-be. From that perspective, there is not much new in demands for deliberation, it is a processual prerequisite for aggregative democratic processes to function. But if we restrict the scope of circumstances regulating the processes of deliberation (as would be the case in most hearings), we get a system whose ideals are less easy to fulfill.

A starting point often used for making the deliberative concept more precise is Habermas' social theory which suggests three means of social coordination: power, money and norms (solidarity) (Eriksen 1996). In that context, deliberation is a means to avoid one-sided uses of power and money (both of which are so much present in the state and the market), and possibly to reinforce

and (re)activate various channels of solidarity. It may be understood as a prerequisite to the use of voting so that rationales for stances are made clear - the vote itself tells nothing about why it was cast. Habermas' own demands on deliberation are quite strict because of the requirements mandated on the users of a public space. For practical purposes, this may be summarized along the lines that clear communication, mutual recognition of the right to speak, truthfulness and sincerity of the speaker are required to make deliberation in the public space valid and thus have ideal speech conditions (Fox and Miller 1995, 116-118). In other words, the participants in deliberative democracy are put on an equal footing when they exercise their democratic rights. No-one except themselves can exclude them, nor can any one select them for preferential treatment. No media, political representatives or appointed leaders have more say during the deliberative processes.

Other theorists have relaxed those claims. In particular, the demands above seem easily to exclude "tough" decisions within politics - situations where the uses of various means of power are likely, as are uses of information that is communicated from one perspective only, i.e. with a strategic aim. One can then reduce the demands so that arguments must appeal to common interests among participants, and at least appear credible in terms of factual statements and appear to be made in good faith. On such a basis, deliberations can lead to agreements about procedures to carry on a process, recognition of other parties and respect for their arguments, and possibly, but not necessarily, consensus. In addition, these deliberations, possibly conflicting, may take place in various settings like hearings, juries, town meetings as well as within legislatures and associations (Warren 2002, 183-185).

Deliberative democracy, then, demands the establishment of fora for participation, and access for participants to any forum that touches upon circumstances of their lives, to counter decisions made on the basis of power and money. It requires participants to be true to norms of participation (and silence) in order for a satisfactory democratic order appears. It works well with aggregative democracy in the *polis*, but increasingly it may be seen as a "aggregation-plus" in more comprehensive democratic systems, where more channels are created for participation to make up for the inability of elected bodies to follow the details of a complicated state-run society.

4.2. Associative Democracy and Uses of Civil Society

In civil society, people are assumed to associate with another for collective action as they see fit, in order to solve problems and thus create order within problems which the market or the state do not alleviate. Theorists often see a vibrant, mostly local, civil society as a prerequisite for a democratic system to be workable; de Tocqueville is of course often quoted in that connection (Tocqueville 1945), but the democratization of Eastern Europe triggered discussions along those lines, even before the fall of the Berlin Wall (Keane 1988). However, conceptions of civil society are not necessarily restricted to the local setting: the globalization of the economy has led to discussions about an augmented necessity for NGOs, which - at least in theory - can sustain a non-market related discourse about world affairs, and without domination by strong states. They may create tensions in so far as they tend to address issues that previously were reserved for the nation state to deal with; thus they may be seen as a threat by autarchic states (He 2002).

Historically, most democratic states were, originally, quite minimalist, and therefore the population formed associations for health insurance, social institutions for children and the elderly, and organization of the workplace. In addition, many associations were formed, mostly as cooperatives, for local production like dairies and slaughterhouses (Bogason 1992), and some were formed to prove that workers could themselves organize production (Carter 2002, 229-230).

Most of the recent changes in democratic affairs border on the distinction between the democratic state and civil society and the roles citizens play within those spheres. In traditional liberal democracy, the political representatives function on the basis of particular organizations - political parties - which much have functioned as links to the lives of private citizens. They organize themselves regarding state affairs in the parties, and some of the members are then chosen to have an active role within the bodies politic until the next elections. But the scope of the welfare state has become so broad that many activities which earlier belonged to the sphere of civil society, have become engulfed by the active state. The representatives of the political parties in the parliament and in local governments are not in a position to control these activities in any detail; that would result in serious overload. The citizens, on the other hand, seem not to be satisfied with the bureaucratic setup of welfare state institutions, and in order to ameliorate communication between those affected and the political/administrative system, citizens have step

by step become more active in the various advisory and directing positions, particularly in the localities. But at the national level one has also in some countries seen an increase in the uses of interest organizations in advisory as well as administrative bodies.

So, if the conception of civil society under the 19th century Western liberal democracy was to see it as an alternative to the state, the growth of the welfare state first reduced the role of civil society; then changed the boundary between political and civil by permeating it and redefining the possible roles of the citizenry vis-à-vis its institutions, e.g. by giving them extended powers as users (Bogason 1996). Those roles often are non-party-political, but issue-specific. They have distinct aspects of integrative democracy built into their rationales for existence: They are meant to create agreement rather than dissent and leadership is mostly a matter of trust.

This is where they differ from most of the activities in the various forms of social movements which have strong elements of contestation built into them, and therefore they often are dissolved when their purpose is fulfilled or recognized to be non-reachable. Social movements are self-organizing while the new roles for advisors and users are regulated by statutes set up by the bodies of the political system.

A special discussion of the proper role of organizing on the border between the political system and civil society has emerged under the heading of associative democracy. Principles of associative democracy are based on such involvement of actors in formal organizations to solve problems requiring some degree of collective action.

Many associations of the 19th century were formed in order to alleviate some negative consequences of untamed market forces. One might say that some deliberative principles of general parliamentary democracy were organized into systems based on ideas of maintaining civil society. The historical development has means less need for such associations, but the very process of bureaucratizing activities formerly run by associations has created a call for re-introducing associations in order to increase the responsiveness of service organizations to particular demands within segments of the population. The state is “strong thumbs, no fingers” (Lindblom 1977, 65), it is relatively insensitive to variegated demands; that being the case, people may wish to organize according to their particular tastes in services and form particular associations to serve them. This is the anti-state reaction which has been elaborated in theoretical

terms by several theorists, some focusing on service organization (Hirst 1994), some on other aspects, particularly along neo-corporatist trends (Streeck and Schmitter 1985).

Associationalism in Hirst's version goes quite far: It is intended to combine the individual choice of liberalism and the public provision of collectivism. Thus voluntary self-governing associations become the *primary* vehicle of democratic societal governance. Hirst recommends changing governance gradually into a federated system of elected bodies relying on associations for the implementation of policy principles; this is to counter political failure of accountability and responsiveness to public influence and centralized professionalism by dependence on the administrative machine which diminishes alternatives and choice (Hirst 1994, 3-6). Associationalism should promote *activism* by users, *alternatives* in service production, *responsiveness* by service producers, *accountability* by the management of the service production and *legitimacy* of the organization by making sure that it is rooted in the group of users.

One might argue that this perspective is distinctively British, based on Thatcherism and after, and that other democratic systems have created new channels of influence of the sort we have discussed above; therefore the normative call is system specific (Bogason 2000). The more local services are put under the influence of users by various new channels, the more the ideas of associative democracy are being approached without the demands on those users to invest in and run buildings and other fixed capital.

4.3. Transnational democracy

The nation-state is becoming permeated by market forces, from international politics, and even from NGOs. Market forces are mostly subsumed under the heading of globalization; international political forces often are called internationalization, while there seems to be little agreement about a catch-all phrase for the international civil society. Still, the common thrust is a reduction of the role and the influence of the national state. In globalization, the states roll back their regulation of international capital movements in order to keep the interest of locating the business within their territories; they do, however, increase the visibility of such movements by reducing the number of off-shore tax havens. They ease the lives of the employees of multinational firms by setting up attractive tax packages for transient personnel, whose income taxes are in effect reduced to the smallest denominator among the Western societies. Within politics,

some states are working on establishing a supra-national level which is close to a confederation - the EU, whose characteristics we do not have to go through in detail here. Furthermore various regimes limit the possibilities for national states to make certain decisions. Several NGOs are active in pushing this development further and integrating more states in such regimes, thereby reducing their powers. Thus there are elements of associative democracy built into the emerging system, particularly regarding the role of NGOs (McGrew 2002).

On most counts, individuals do not have access to influencing international affairs and therefore, the changes represent neither progress in traditional, liberal democratic terms nor in Paul Hirst's associative terms. Individuals cannot access multi-national firms; they can, to some extent, make their voices heard via exits from the international market - as in the fur trade, or by specific action as in the Brent Spar case. There are no international political parties to become a member of, but political parties may set up international cooperative measures and in the EU, they form sub-groups for use in the parliament. There are to some degree membership possibilities in NGOs by becoming a member of the national branch, but the international activities are mostly undertaken by the NGO version of a corporate headquarter.

Democracy, then, is multi-faceted. Intergovernmental cooperation is based on nation-states participating on behalf of their citizens. Only within the EU is there a parliamentary system involved, still with limited powers. Interestingly enough, a revision seems to be in the direction of establishing an aggregative democracy along the traditional parliamentary lines, as when the parliaments were introduced in the 19th century. Apart from that, the development is more in the direction of extended deliberation, based on a number of governmental and non-governmental organizations which channel processes and roles. The general direction seems to have more of integrative than of aggregative democracy in it.

5. Towards Institutional Dynamics: Multi-layered or nested systems

The basic and simple tenets of institutional theory - that institutions matter, they persist and create regularity - hold true: Western parliaments and local governments have not been removed; they do legislate and they process demands; their election procedures are not much changed; and they have maintained their relations to the (mostly) subservient administration. That said, there is

significant variation in how institutions matter in terms of influence; they only persist to a certain degree, and they do not create regularity that cannot be changed at some scale.

Are we witnessing processes where the organizational pattern of the 20th century - political parties, trade unions, and other centralized types of organization - are withering away in favor of supra-national regimes and local individualization? New all-encompassing structures and local mavericks? These are important, if provocative, questions, and useful in triggering an investigation of the changes towards more compartmentalized decision-making. Within each of such compartments, there is less need for polarization among competing interests and more need for incremental deliberation to create continuing consensus on what is to be done. But there is an inherent danger that the compartments would fight one another in attempts to get scarce resources. The organizations that are to cut across such factions and secure the public good - parliaments, local governments councils - tend to get weaker, as we have seen above, so there is a risk that some factions win resources in a 0-sum game.

Such a development is welcomed by those who believe in a stronger participatory democracy - a system where participation in and by itself is deemed important. They see the traditional representative system of government as wanting in legitimacy: those who are elected are not sufficiently in contact with their constituency - for instance, most political parties lack new young members so that they reflect an older part of the population rather than the population at large. So, while such critics do recognize the efficiency of such a system in making material decisions, their claim is that it does not engage citizens sufficiently in the political processes and therefore does not establish a proper - i.e. extended - democratic relationship between politicians and citizens. By getting involved in the new channels the citizens get an understanding beyond the task at hand and thus create a more responsible citizenship - not just demanding users - over time.

However, the changes are unattractive for those who see the development in contemporary society as strengthening the influence of individuals who do not support the notion of social solidarity or cohesion in the society, phenomena that guarantee a minimum standard of living for those who are endowed with fewer skills for a competitive job market. On the other hand, the way the interplay seems to develop - in the direction of networks in which the participants adhere

to the principles of integrative democracy with extended deliberation and respect for the past - may secure the interests of the weak more than theory would at first sight predict.

Above, three generalizing approaches to modern democracy - deliberative, associative, and transnational - have been discussed in institutional terms on the basis of the conceptual distinctions between aggregative and deliberative democracy. At the most general level of analysis, aggregative democracy seems to be reduced in importance at the local level, and new integrative measures based on various understandings of deliberation are introduced. At the national level, parliaments are maintained, but they are curbed by international regimes, and within the country, they are challenged in several ways. At the international level there are mixed signals; there are a few signs of allocative democracy in a confederated system, and some deliberative measures by more uses of NGOs. In sum, most of the changes are in the direction of reinforced integrative democracy based on extended deliberations among more organizations, some public, some private, and quite a few hybrids between the public and the private sector. Open conflicts are avoided, and the discussions are based on common trust among the participants.

In this instrumental way, institutional theory is helpful in conceptualizing and thus ordering empirical changes in democratic affairs. Are those changes then, in themselves, institutional changes? Are we witnessing profound changes in our democratic institutions? And what are we to think about such changes?

If integrative democracy is increasing in importance, let us return to the principles of an integrative institution (figure 1 above). The following characteristics, then, may be hypothesized to be present in the resulting systems of democracy. Within each of the particularized political bodies, emphasis is on reaching decisions as a group (if there are elections, they are not party politicized); the processes in the body are characterized by deliberated reason in order to reach a common decision (rather than factions bargaining their particular interests); changes come over time as step-by step adaptations of (local) processes (rather than swift turnabouts following latest fad or fashion); the majority is reluctant to use its powers against strong resistance from the minority, and the well-functioning organization builds up an understanding of common purpose rather than just focusing maximizing for example a short-run factor like maximizing a budget. At the local level, such an organization would also respect the professional role of the service

institution it presides over instead of just instantly following any impulse from complaining users.

Institutional theory, then, is usable in structuring analysis of democratic change. No matter how conceived, the analyst is guided towards examining norms, rules, positions and processes shaping relations among actors. How the analysis takes place depends on the perspective used, and here we may find significant variation among approaches. So institutions matter, but so do approaches. Where you stand depends on where you sit; the analysis is dependent on the normative stance behind the approach and on the particular elements brought into play by the approach.

On the normative side, institutional theories are less helpful *per se*. But they do help us clarifying what principles of order are gaining in importance. To put it differently: We have above seen "democracy" as an institution - that is, the old aggregative democracy. We have found a number of changes in the direction of other rationales - mainly integrative - for democratic behavior, because new channels of influence are being created. To some degree they replace the old aggregative system, to some degree they compete with it. I see this as a complication of our understanding of democratic societies: New institutional forms come up, and "democracy" changes into something conceptually more rich than it was. This may be understood as institutional development.

For good or for bad? Seen from the perspective of the aggregate system, the changes are problematic because the rules of the game change and political parties which formed the backbone for the system are not apt for such change, nor are the old interest organizations involved in neo-corporatistic cooperation. But seen from the perspective of active citizens, the changes may be seen as a bonus because new alternatives for political influence are offered.

Back to the two basic institutionalisms. On the theoretical side, the question now is how to cope with a dynamic world with a theory that often assumes stability. If we put aside the sociological version of institutional theory and make stronger use of the Rational Choice version, one could point to elements that challenge the general picture of stability. Some might work around the problem by distinguishing between institutions and organizations. That is, the comprehensive democratic system may be the institution (whether in value or structural terms) and the various instruments through which democratic politics works--parties, interest groups, and so on--are

better understood as organizations. This is the distinction that some make between the rules of the game and the players in the game.

Such a distinction between institution and organization would work in some cases, and maybe in some instances of the changes of democracy. We then have to take recourse to a multi-layered understanding of democracy - rather than having traditional democracy as *the* institution and new forms as "organizations". One might say that institutions are nested within one another - with traditional, aggregative democracy as one overarching system ("dominant" and "symbolic") and other, integrative forms as emergent and to some degree working in the "shadow" of the traditional form which at the same time is becoming undermined within some of its normal fields of application.

One might label the result a "Network Democracy", whose elements still lack some conceptualizing and theorizing, but on the other hand it certainly also demands more empirical research. It goes without saying that those two demands are mutually dependent and should be met by a supply hand in hand.

Note. The author would like to thank Marianne Antonsen, Allan Dreyer Hansen, Radmila Milkovic Rasmussen, B Guy Peters, Jon Pierre and Eva Sørensen for helpful comments on an earlier draft, and they are relieved of any responsibility for the remaining deficiencies of the product.

Works Cited

- Bogason, Peter. 1992. "Strong or Weak State? The Case of Danish Agricultural Export Policy 1849-1906." *Comparative Politics* 24:219-27.
- Bogason, Peter. 1996. "Local Democracy: Community Power Based on Institutional Change." In *Comparative Welfare Systems. The Scandinavian Model in a Period of Change*, ed. Bent Greve. London: MacMillan.
- Bogason, Peter. 2000. "Associative Values and Local Governments." In *What Constitutes a Good Society?* ed. Bent Greve. London: Macmillan.
- Bogason, Peter. 2000. *Public Policy and Local Governance: Institutions in Postmodern Society*. New Horizons in Public Policy. Cheltenham: Edward Elgar.
- Bogason, Peter, and Mogens Hegnsvad. 2002. "Good Local Governance in Denmark: The Uses of ICT in Græsted-Gilleleje." In *Developing Local Governamce Networks in Europe*, eds Tony Bovaird, Elke Löffler, and Salvador Parrador-Díez. Baden-Baden: Nomos.
- Bohman, James, and William Rehg, eds. 1997. *Deliberative Democracy. Essays on Reason and Politics*. Cambridge, MA: M I T Press.
- Carter, April. 2002. "Associative Democracy." In *Democratic Theory Today*, eds April Carter and Geoffrey Stokes. Cambridge: Polity Press.
- Cerny, Philip G. 1990. *The Changing Architecture of Politics. Structure, Agency and the State*. London: Sage.
- Clark, Terry Nichols, and Vincent Hoffmann-Martinot, eds. 1998. *The New Political Culture*. Boulder, CO: Westview Press.
- Dimaggio, Paul J. 1998. "The New Institutionalisms: Avenues of Collaboration." *Journal of Institutional and Theoretical Economics* 54:696-705.
- Eriksen, Erik Oddvar, ed. 1996. *Deliberativ Politikk. Demokrati i Teori Og Praksis*. Oslo: TANO.
- Fox, Charles J, and Hugh T Miller. 1995. *Postmodern Public Administration. Towards Discourse*. London: Sage Publications.
- Giddens, Anthony. 2000. *The Third Way and Its Critics*. Cambridge: Polity Press.
- Gregory, Roy, and Philip Giddings, eds. 2000. *Righting Wrongs. The Ombudsman in Six Continents*. Amsterdam: IOS Press.

- He, Baogang. 2002. "Civil Society and Democracy." In *Democratic Theory Today*, eds April Carter and Geoffrey Stokes. Cambridge: Polity Press.
- Hirst, Paul. 1994. *Associative Democracy. New Forms of Economic and Social Governance*. Cambridge: Polity Press.
- Hoffman, John. 1995. *Beyond the State. An Introductory Critique*. Cambridge: Polity Press.
- Keane, John. 1988. *Democracy and Civil Society*. London: Verso.
- Lindblom, Charles E. 1977. *Politics and Markets*. New York: Basic books.
- March, James G, and Johan P Olsen. 1989. *Rediscovering Institutions. The Organizational Basis of Politics*. New York: Free Press.
- March, James G, and Johan P Olsen. 1995. *Democratic Governance*. New York: The Free Press.
- McGrew, Antony. 2002. "Transnational Democracy." In *Democratic Theory Today*, eds April Carter and Geoffrey Stokes. Cambridge: Polity Press.
- Nielsen, Klaus. 2001. "Institutionalist Approaches in the Social Sciences: Typology, Dialogue and Future Challenges." *Journal of Economic Issues* XXXV(2, 2001 June): 3-12.
- OECD. 2001. *Citizens as Partners. Information, Consultation and Public Participation in Public Decision-Making*. Paris: OECD.
- OECD. 2001. *Citizens as Partners. OECD Handbook on Information, Consultation and Public Participation in Public Decision-Making*. Paris: OECD.
- Ostrom, Elinor. 1990. *Governing the Commons: The Evolution of Institutions for Collective Action*. Cambridge: Cambridge University Press.
- Peters, B. Guy. 1999. *Institutional Theory: The 'New Institutionalism' in Political Science*. London: Cassells.
- Pharr, Susan J, and Robert D Putnam, eds. 2000. *Disaffected Democracies. What's Troubling the Trilateral Countries?* Princeton, NJ: Princeton University Press.
- Rueschemeyer, Dietrich, Evelyn Huber Stephens, and John D Stephens. 1992. *Capitalist Development and Democracy*. Chicago: University of Chicago Press.
- Sørensen, Eva. 1997. "Democracy and Empowerment." *Public Administration* 75(3): 553-68.
- Streeck, Wolfgang, and Philippe C Schmitter, eds. 1985. *Private Interest Government. Beyond Market and State*. London: Sage Publications.
- Tocqueville, Alexis de. [1835] 1945. *Democracy in America*. New York: Alfred Knopf.
- Warren, Mark E. 2002. "Deliberative Democracy." In *Democratic Theory Today*, eds April Carter and Geoffrey Stokes. Cambridge: Polity Press.