

Structuring politics

*Historical institutionalism in
comparative analysis*

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Historical institutionalism in comparative politics

KATHLEEN THELEN AND SVEN STEINMO

The “rediscovery” of institutions has opened up an exciting research agenda in comparative politics and comparative political economy.¹ Scholars working in different disciplines and writing on subjects as diverse as the political economy of advanced capitalism and policy-making during China’s Great Leap Forward have all focused on the significance of institutional variables for explaining outcomes in their respective fields.² Within comparative politics, “new” institutionalism has been especially associated with leading students of comparative political economy such as Suzanne Berger, Peter Hall, Peter Katzenstein, and Theda Skocpol, among others.³ Although it has now been around for several years, few have stepped back to analyze the distinctive features of the kind of historical institutionalism these theorists represent, nor to assess its strengths and overall contribution to comparative politics.⁴ These are themes we take up in this introductory chapter.

The chapter proceeds in three steps. We begin with a brief discussion of the building blocks of this approach: how institutions are defined and how they figure into the analysis. Second, we sketch the characteristic features of historical institutionalism and the broader theoretical project that animates institutional analyses. New institutionalists draw inspiration and insights from older traditions in economics, political science, and sociology.⁵ But renewed, explicit attention to institutional variables since the late 1970s grew out of a critique of the behavioral emphasis of American and comparative politics in the 1950s and 1960s, which – although it drew attention to other important and previously neglected aspects of political life – often obscured the enduring socioeconomic and political structures that mold behavior in distinctive ways in different national contexts. The historical institutional literature is diverse, but scholars in this school share a

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theoretical project aimed at the middle range that confronts issues of both historical contingency and “path dependency” that other theoretical perspectives obscure.

Third, we turn to a discussion of the frontier issues in historical institutionalism. These frontiers are defined by the limits of the historical institutional literature to date, that is, questions on which historical institutionalists have until now been relatively silent. We focus on two such areas: the question of institutional dynamism and the interaction of institutional and ideational variables in policy formation and change. Drawing on the literature at large, and especially on the essays assembled here, we suggest the ways in which institutional analysis can be further developed to address these areas.

HISTORICAL INSTITUTIONALISM: DEFINITIONS AND APPROACH

At its broadest, historical institutionalism represents an attempt to illuminate how political struggles “are mediated by the institutional setting in which [they] take place.”⁶ In general, historical institutionalists work with a definition of institutions that includes both formal organizations and informal rules and procedures that structure conduct. Peter Hall’s widely accepted definition, for example, includes “the formal rules, compliance procedures, and standard operating practices that structure the relationship between individuals in various units of the polity and economy.”⁷ John Ikenberry breaks down his definition into three distinct levels that “range from specific characteristics of government institutions, to the more overarching structures of state, to the nation’s normative social order.”⁸

Just where to draw the line on what counts as an institution is a matter of some controversy in the literature.⁹ However, in general, institutionalists are interested in the whole range of state and societal institutions that shape how political actors define their interests and that structure their relations of power to other groups. Thus, clearly included in the definition are such features of the institutional context as the rules of electoral competition, the structure of party systems, the relations among various branches of government, and the structure and organization of economic actors like trade unions.¹⁰ Beyond institutions of this sort, on which most historical institutionalists can agree, are a number of other factors – ranging from norms to class structure – on which they might disagree.¹¹

Peter Hall is the most explicit on the question of how institutions fit into the analysis of policy-making and politics within historical institutionalism. He stresses the way institutions shape the goals political actors pursue and the way they structure power relations among them, privileging some and putting others at a disadvantage. In his words:

Institutional factors play two fundamental roles in this model. On the one hand, the organization of policy-making affects the degree of power that any one set of actors has

over the policy outcomes. . . . On the other hand, organizational position also influences an actor's definition of his own interests, by establishing his institutional responsibilities and relationship to other actors. In this way, organizational factors affect both the degree of pressure an actor can bring to bear on policy and the likely direction of that pressure.¹²

What is implicit but crucial in this and most other conceptions of historical institutionalism is that institutions constrain and refract politics but they are never the sole "cause" of outcomes. Institutional analyses do not deny the broad political forces that animate various theories of politics: class structure in Marxism, group dynamics in pluralism. Instead, they point to the ways that institutions structure these battles and in so doing, influence their outcomes.

REINVENTING THE WHEEL?

"Political science *is* the study of institutions," a senior colleague once remarked. "So what's new about the New Institutionalism?" he asked.¹³ This question reveals a skepticism toward the so-called new institutionalism that deserves attention. Political scientists, sociologists, and economists have studied institutions for a very long time. So what is all the fuss about?

There is certainly no gainsaying that contemporary "new" institutionalists draw inspiration from a long line of theorists in political science, economics, and sociology. Most would readily acknowledge an important intellectual debt to writers like Karl Polanyi, Thorstein Veblen, Max Weber (not to mention Montesquieu), and, more recently, to theorists like Reinhard Bendix and Harry Eckstein. To understand why so many have found the kind of institutionalism represented by writers like Katzenstein, Skocpol, and Hall new and exciting, we need to outline the theoretical project that animates the work of these and other new institutionalists and distinguishes their approach both from previous theories and contemporary contenders in comparative politics. Thus, without getting into a long exegesis on the newness of this sort of institutionalism, a subject we believe has been overemphasized in the literature to date, it is useful to summarize important junctures that led to the revival of interest in institutions today.

At one time the field of political science, particularly comparative politics, was dominated by the study of institutions. The "old" institutionalism consisted mainly, though not exclusively, of detailed configurative studies of different administrative, legal, and political structures. This work was often deeply normative, and the little comparative "analysis" then existing largely entailed juxtaposing descriptions of different institutional configurations in different countries, comparing and contrasting. This approach did not encourage the development of intermediate-level categories and concepts that would facilitate truly comparative research and advance explanatory theory.¹⁴

The "behavioral revolution" in political science in the 1950s and early 1960s was precisely a rejection of this old institutionalism. It was obvious that the formal laws, rules, and administrative structures did not explain actual political

behavior or policy outcomes. Behavioralists argued that, in order to understand politics and explain political outcomes, analysts should focus not on the formal attributes of government institutions but instead on informal distributions of power, attitudes, and political behavior. Moreover, in contrast to what was perceived as the atheoretical work of scholars in the formal-legal tradition, the behavioralist project as a whole was explicitly theoretical.

In comparative politics, the emphasis on theory-building often took the form of “grand theorizing,” and this period witnessed a dramatic increase in broad, cross-national research (some, though not all of it behavioralist). Cutting through the idiosyncratic, country-specific categories of the old institutionalism, comparativists searched for broadly applicable concepts and variables to guide cross-national research. The theories that emerged and held sway in this period highlighted similarities and trends reaching across wide ranges of nations (with very different institutions). A number of them pointed to convergence both among the advanced industrial countries¹⁵ and between industrialized and developing countries.¹⁶

This is not the place for a history of the discipline. However, a couple of points are in order concerning the role of *institutional* variables in political analysis during the 1950s and 1960s. First, it is clearly not the case that institutions disappeared from the agenda. One need only think of theorists such as Samuel Huntington and Reinhard Bendix to realize that institutions continued to play a very prominent role in the work of some scholars, whether as the object of analysis or as forces molding political behavior.¹⁷ But second, it is equally important to recall that these theorists built their analyses around a fundamental critique of the dominant tendencies in the discipline at the time which had in fact pushed institutional variables to the side. Eckstein’s critique of pluralists¹⁸ and Bendix’s important rebuttal to the dominant modernization paradigm in comparative politics¹⁹ illustrate how both fields had come to downplay the structural features of political life that shaped the behavior of interest groups or that accounted for the persistence of cross-national diversity beneath the surface of homogenizing concepts such as modernity and tradition. The work of these “dissidents” from the mainstream of their day contained important insights and, at least in embryonic form, key elements of a new institutional perspective.²⁰

The point about newness is not that no one was writing about institutions in the 1950s and 1960s, for of course many were.²¹ Rather, the question is how institutional variables fit into the larger theoretical project that animated research in this period. The spirit and the thrust of work within the dominant behavioralist paradigm was precisely meant to *get beyond* the formal structures of the old institutionalists and especially the reified structures of Marxist theories of capitalist domination, by looking at the actual, observable beliefs and behaviors of groups and individuals. Given this emphasis and this agenda, it seems to us no coincidence that the behavioral revolution ultimately spawned not one but two separate institutionalist critiques, one from a historical and another from the more

formal “rational choice” perspective. For all the differences between the two (see subsequent remarks), many historical institutionalists would agree with Kenneth Shepsle’s (rational choice) critique of behavioralism:

The price we have paid for the methodological and theoretical innovations of the post–World War II era, however, is the inordinate emphasis now placed on *behavior*. Our ability to describe (and less frequently, to explain) behavior . . . has diminished the attention once given to institutional context and actual outcomes. On net, the behavioral revolution has probably been of positive value. But along with the many scientific benefits, we have been burdened by the cost of the restricted scope in our analyses.²²

Because mainstream behavioralist theories focused on the characteristics, attitudes, and behaviors of the individuals and groups themselves to explain political outcomes, they often missed crucial elements of the playing field and thus did not provide answers to the prior questions of why these political behaviors, attitudes, and the distribution of resources among contending groups themselves differed from one country to another. For example, interest group theories that focused on the characteristics and preferences of pressure groups themselves could not account for why interest groups with similar organizational characteristics (including measures of interest-group “strength”) and similar preferences could not always influence policy in the same way or to the same extent in different national contexts. To explain these differences required more explicit attention to the institutional landscape in which interest groups sought influence.²³

The “grand theorizing” that dominated comparative politics in this period also, in its own way, obscured the intermediate institutions that structure politics in different countries. Thus, it is also probably no coincidence that renewed and more systematic attention to institutional factors in comparative analysis corresponded with a period of upheaval in the international arena associated, among other things, with the declining hegemony of the United States and the oil crisis of 1973–4. Whereas the prosperity of the 1950s and 1960s may have masked sources of national diversity in policy-making and politics among the advanced industrial countries, the economic shocks in the early 1970s gave rise to a diversity of responses that flatly discredited the claims of the convergence theories of the 1960s.²⁴ These events led to the search for explanatory factors to account for these outcomes, and national-level institutional factors figured prominently in the answer.²⁵

Explaining this persistence of cross-national differences despite common challenges and pressures was a central theme in the work of the early new institutionalists, and this implied a shift in emphasis on both an empirical and a theoretical level. Criticizing the ahistorical approach of traditional interest-group theories and Marxist analysis alike, these theorists wanted to know why interest groups demanded different policies in different countries and why class interests were manifested differently cross-nationally. At the same time, and related to this, new institutionalists moved away from concepts (like modernity and tradition)

that tended to homogenize whole classes of nations, toward concepts that could capture diversity among them (e.g., the distinction between “strong” and “weak” states in the advanced industrial countries). Thus, the empirical challenge posed by diverse responses to common challenges drove a partial shift, away from general theorizing toward a more midlevel Weberian project that explored diversity within classes of the same phenomena. A critical body of work in the mid to late 1970s and early 1980s pointed to intermediate-level institutional factors – corporatist arrangements, policy networks linking economic groups to the state bureaucracy, party structures – and the role they play in defining the constellations of incentives and constraints faced by political actors in different national contexts.

These new institutionalists shared the behavioralists’ concern for building theory. However, by focusing on intermediate institutions, they sought to explain systematic differences across countries that previous theories had obscured. The range of institutions studied depended of course on the outcomes to be explained. Katzenstein’s work on foreign economic policy of the advanced industrial countries, for example, drew attention to differences in the “policy networks” linking state and society to explain divergent responses to a common economic shock.²⁶ Corporatist theorists focused on the structure and organization of key economic actors, especially labor and employers’ associations, to draw conclusions about labor’s role in adjusting to economic change and about cross-national variation in economic performance more generally.²⁷ Theorists such as Suzanne Berger, Theda Skocpol, and Douglas Ashford were in the forefront of recasting the study of interest-group behavior, the state, and public-policy formation in explicitly institutional terms.²⁸ Other authors, notably March and Olsen, Peter Hall, Stephen Skowronek, and later John Ikenberry, have built on this tradition and have helped to advance it through a self-conscious definition and application of an institutional approach. Key to their analyses was the notion that institutional factors can shape both the objectives of political actors and the distribution of power among them in a given polity.²⁹

One feature typifying this new institutional perspective is its emphasis on what Hall refers to as the “relational character” of institutions.³⁰ More important than the formal characteristics of either state or societal institutions per se is how a given institutional configuration shapes political *interactions*. This feature of a new institutional perspective is well illustrated by Ellen Immergut’s contribution to this book, Chapter 3. In her analysis of health care policy in France, Switzerland, and Sweden, Immergut argues that it is not useful to think of political power as a static attribute of certain groups or actors. Traditional interest-group theories that look at the characteristics of pressure groups themselves for clues on their relative power cannot explain why doctors in the three countries she examines – though all equally well organized and powerful in their internal organizational resources – nonetheless had very different degrees of success in achieving their policy objectives. For Immergut, the point is not to identify “veto

groups” so much as “veto points” in political systems. Veto points are areas of institutional vulnerability, that is, points in the policy process where the mobilization of opposition can thwart policy innovation. The location of such veto points varies cross-nationally and depends on how different parts of the national policymaking apparatus are linked. While such veto points are in general rather sticky, they are not permanent, immutable characteristics of a political system. Shifts in the overall balance of power can cause veto points to emerge, disappear, or shift their location, creating “strategic openings” that actors can exploit to achieve their goals. Immergut’s notion of veto points thus illustrates and builds on some of the core characteristics of the historical institutional approach more generally: the emphasis on intermediate institutions that shape political strategies, the ways institutions structure relations of power among contending groups in society, and especially the focus on the *process* of politics and policy-making within given institutional parameters.

HISTORICAL INSTITUTIONALISM AND RATIONAL CHOICE

As is well known, there are in fact two different approaches that have been assigned the label “the new institutionalism.” Rational choice institutionalists such as Shepsle, Levi, North, and Bates share with historical-interpretive institutionalists such as Berger, Hall, Katzenstein, and Skocpol a concern with the question of how institutions shape political strategies and influence political outcomes.³¹ But important differences distinguish the two. The essays assembled here come out of the historical institutional tradition, but it is worth considering briefly how they relate to the rational choice variant. The two perspectives are premised on different assumptions that in fact reflect quite different approaches to the study of politics.

For the rational choice scholar, institutions are important as features of a *strategic context*, imposing constraints on self-interested behavior. For example, in the classic prisoner’s dilemma game, when the rules (institutions) are changed, the prisoner’s choices (to defect, to cooperate, and so on) also change because these rules structure the choices that will maximize the prisoner’s self-interest. Thus political and economic institutions are important for rational choice scholars interested in real-world politics because the institutions define (or at least constrain) the strategies that political actors adopt in the pursuit of their interests.

For historical institutionalists the idea that institutions provide the context in which political actors define their strategies and pursue their interests is unproblematical. Indeed, this is a key premise in historical institutional analysis as well. But historical institutionalists want to go further and argue that institutions play a much greater role in shaping politics, and political history more generally, than that suggested by a narrow rational choice model.

Historical institutionalists in general find strict rationality assumptions overly confining.³² First, in contrast to some (though not all) rational choice analyses,

historical institutionalists tend to see political actors not so much as all-knowing, rational maximizers, but more as rule-following “satisficers.”³³ As DiMaggio and Powell argue, “The constant and repetitive quality of much organized life is explicable not simply by reference to individual, maximizing actors but rather by a view that locates the persistence of practices in both their taken-for-granted quality and their reproduction in structures that are to some extent self-sustaining.”³⁴ In short, people don’t stop at every choice they make in their lives and think to themselves, “Now what will maximize my self-interest?” Instead, most of us, most of the time, follow societally defined rules, even when so doing may not be directly in our self-interest.³⁵

Second, and perhaps most centrally, rational choice and historical institutionalism diverge rather sharply on the issue of preference formation. While rational choice deals with preferences at the level of assumptions, historical institutionalists take the question of how individuals and groups define their self-interest as problematical.³⁶ Rational choice institutionalists in effect “bracket” the issue of preference formation theoretically (by assuming that political actors are rational and will act to maximize their self-interest), though of course in the context of specific analyses they must operationalize self-interest, and generally they do so by deducing the preferences of the actors from the structure of the situation itself.³⁷ This is quite different from historical institutionalists, who argue that not just the *strategies* but also the *goals* actors pursue are shaped by the institutional context.³⁸ For example, a historical institutionalist would emphasize how class interests are more a function of class position (mediated – reinforced or mitigated – by state and social institutions like political parties and union structure) than individual choice.

The idea of socially and politically constructed preferences that figures prominently in the work of many contemporary historical institutionalists echoes the writings of an earlier generation of economic institutionalist-historians. Earlier in this century, for example, Thorstein Veblen argued that the individualistic, competitive features of modern life must be seen as products of the particular economic institutions that we have constructed in the advanced capitalist states.³⁹ This point is also made in a recent essay by sociologists Roger Friedland and Robert Alford, who argue:

The central institutions of the contemporary capitalist West – capitalist market, bureaucratic state, democracy, nuclear family, and Christian religion – shape individual preferences and organizational interests as well as the repertoire of behaviors by which they may attain them.

And because of the dense matrix of institutions in which individuals maneuver, they are motivated by a complex mix of sometimes conflicting preferences. Friedland and Alford argue that conflicts between preferences and behaviors evoked by these institutions contribute to the dynamism of the system:

These institutions are potentially contradictory and hence make multiple logics available to individuals and organizations. Individuals and organizations transform the institutional relations of society by exploiting these contradictions.⁴⁰

By taking the goals, strategies, and preferences as something to be explained, historical institutionalists show that, unless something is known about the context, broad assumptions about “self-interested behavior” are empty. As we pointed out earlier, historical institutionalists would not have trouble with the rational choice idea that political actors are acting strategically to achieve their ends. But clearly it is not very useful simply to leave it at that. We need a historically based analysis to tell us what they are trying to maximize and why they emphasize certain goals over others.⁴¹

Taking preference formation as problematical rather than given, it then also follows that alliance formation is more than a lining up of groups with compatible (preexisting and unambiguous) self-interests. Where groups have multiple, often conflicting interests, it is necessary to examine the political processes out of which particular coalitions are formed. As Margaret Weir points out in Chapter 7, new ideas can cause groups to rethink their interests; consequently, the way in which various policies are “packaged” can facilitate the formation of certain coalitions and hinder others. As Bo Rothstein’s analysis (Chapter 2) makes clear, leadership can play a key role in this process. The historical analysis of how these processes occur (what Katzenstein calls “process tracing”) is thus central to a historical institutional approach.

Thus one, perhaps *the*, core difference between rational choice institutionalism and historical institutionalism lies in the question of preference formation, whether treated as exogenous (rational choice) or endogenous (historical institutionalism). But beyond this, and on the “output side,” it seems that there is more than one way to achieve one’s ends, even assuming self-interested, maximizing behavior. Recent game theory has shown that there is more than one efficient solution to certain kinds of games.⁴² If there is no single political choice or outcome that maximizes the individual’s self-interest, then clearly game-theoretic tools need to be supplemented with other methods to understand which solutions will be or were chosen.⁴³

In sum, institutions are not just another variable, and the institutionalist claim is more than just that “institutions matter too.” By shaping not just actors’ strategies (as in rational choice), but their goals as well, and by mediating their relations of cooperation and conflict, institutions structure political situations and leave their own imprint on political outcomes.⁴⁴ Political actors of course are not unaware of the deep and fundamental impact of institutions, which is why battles over institutions are so hard fought. Reconfiguring institutions can save political actors the trouble of fighting the same battle over and over again. For example (and as a number of rational choice theorists have pointed out) this explains why congressional battles over district boundaries are so tenacious. The central im-

portance of institutions in “mobilizing bias” in political processes also accounts for why such formidable political leaders as Charles DeGaulle have been willing to stake their careers not on particular policy outcomes, but on institutional ones. This view is especially at odds with the “transaction costs” school within rational choice that sees institutions as efficient solutions to collective action problems, reducing transaction costs among individuals and groups in order to enhance efficiency.⁴⁵ But to view institutions in these terms is to beg the important questions about how political power figures into the creation and maintenance of these institutions, as well as to deny the possibility of unexpected outcomes.⁴⁶

THE HISTORICAL INSTITUTIONALIST PROJECT

The historical institutional literature is diverse, to say the least. This approach has been applied in a wide range of empirical settings, but in each case what has made this approach so attractive is the theoretical leverage it has provided for understanding policy continuities over time within countries and policy variation across countries. Working at the level of midrange theory, institutionalists have constructed important analytic bridges: between state-centered and society-centered analyses by looking at the institutional arrangements that structure relations between the two,⁴⁷ and between grand theories that highlight broad cross-national regularities and narrower accounts of particular national cases, by focusing on intermediate-level variables that illuminate sources of “variation on a common theme.”⁴⁸

Beyond these more well-known analytic bridges, institutional analysis also allows us to examine the relationship between political actors as objects and as agents of history. The institutions that are at the center of historical institutional analyses – from party systems to the structure of economic interests such as business associations – can shape and constrain political strategies in important ways, but they are themselves also the outcome (conscious or unintended) of deliberate political strategies, of political conflict, and of choice. As Bo Rothstein puts it in the next chapter, by focusing on these intermediate institutional features of political life, institutionalism provides the theoretical “bridge between ‘men [who] make history’ and the ‘circumstances’ under which they are able to do so.”

Macro theories such as Marxism focus on the broad socioeconomic structures (class structure, for example), that define the parameters of policy-making at the broadest level. But these theories often obscure the nontrivial differences between different countries with the same broad structures, for example, differences in how capitalism is organized in Sweden and the United States. Moreover, even where they do address such differences, the kinds of explanations they produce (the “requirements of capital accumulation,” for example) still point to the primacy of systems-level variables and downplay the role of political agency in explaining outcomes. But to the extent that we take seriously notions

of human agency as crucial to understanding political outcomes, we need to come to terms not just with political behavior as the dependent variable, influenced by these macro-socioeconomic structures, but as independent variables as well.

This brings us back to an important conceptual issue that we flagged at the beginning of this chapter concerning how broad a conceptual net to cast in defining institutions. Our definition emphasized intermediate-level institutions, such as party systems and the structure of economic interest groups like unions, that mediate between the behavior of individual political actors and national political outcomes. But couldn't more macrolevel structures – class structure, for example – also qualify as institutions? Clearly such structures can impose significant constraints on behavior.

We would argue that it is less useful to subsume such macro (systems-level) structures into the definition of institutions than it is to maintain a narrower focus and examine how these forces are mediated by the kinds of intermediate-level institutions we have cited. This does not mean that we cannot examine differences between capitalist and precapitalist or other socioeconomic systems; it only suggests a particular research strategy for doing so. Polanyi's work is in the spirit we would advocate. His analysis of the "great transformation" deals explicitly with the consequences of macrolevel changes in broad social and economic structures. But his examination of the causes and consequences of the shift to a market economy and what he calls a "market society" is anchored in an analysis of specific social and economic institutions (such as the Speenhamland system) in which battles over and within these broader forces are crystallized.

The focus on intermediate-level institutions that mediate the effects of macro-level socioeconomic structures (like class) also provides greater analytic leverage to confront variation among capitalist countries. Class differences characterize all capitalist countries and as an analytic category can be applied to all of them. But if we want to understand differences in political behavior across these countries, what we really need to know is how and to what extent class differences figure into how groups and individuals in different capitalist countries define their goals and their relations to other actors. Arguably, class in this sense matters more in Sweden and Britain than in the United States. And we would argue that such differences in the salience of class to actual political behavior depends on the extent to which it is reinforced and reified through state and societal institutions – party competition, union structures, and the like.

In short, this focus on how macrostructures such as class are magnified or mitigated by intermediate-level institutions allows us to explore the effects of such overarching structures on political outcomes, but avoiding the structural determinism that often characterizes broader and more abstract Marxist, functionalist, and systems-theory approaches. Thus, another of the strengths of historical institutionalism is that it has carved out an important theoretical niche at the middle range that can help us integrate an understanding of general patterns

of political history with an explanation of the contingent nature of political and economic development, and especially the role of political agency, conflict, and choice, in shaping that development.

The emphasis in historical institutionalism on political agency and political choice *within* institutional constraints is also a characteristic of the “other” new institutionalism. But there are still important differences in the theoretical project that informs the work of historical institutionalists and rational choice institutionalists. Rational choice theorists work with what one might call a “universal tool kit” that can be applied in virtually any political setting.⁴⁹ The kind of deductive logical system that informs rational choice analysis has important strengths, parsimony first among them, but its characteristic weaknesses, such as those imposed by the highly restrictive assumptions that make this kind of analysis possible, are also well known.

In these characteristics – its “ruthless elegance” (Hall) and the deductive logic on which it is built – rational choice theory shares something with other deductive theories such as Waltz’s “systems” theory of international relations and Marxist theory. Of course, rational choice theory is clearly at odds with the substance and many aspects of the methodology of traditional Marxist theory (especially the teleology of Marxism and the denial of individual agency which is so central to rational choice theory). But at a more abstract level, both are animated by a similar theoretical project premised on deduction from a limited number of theoretical assumptions and the application of a set of concepts that are held to be universally applicable (class for Marxists; rationality and interest maximization for rational choice theorists). Rational choice shares both the strengths and weaknesses of these previous attempts to build deductive theories to explain political outcomes.

Historical institutionalists lack the kind of universal tool kit and universally applicable concepts on which these more deductive theories are based. Rather than deducing hypotheses on the basis of global assumptions and prior to the analysis, historical institutionalists generally develop their hypotheses more inductively, in the course of interpreting the empirical material itself. The more inductive approach of historical institutionalists reflects a different approach to the study of politics that essentially rejects the idea that political behavior can be analyzed with the same techniques that may be useful in economics. Rational choice theorists criticize this as inelegant and atheoretical, and sometimes even dismiss it as storytelling. As can be readily imagined, we disagree, and would argue that since each approach has characteristic strengths and weaknesses that flow rather directly from their different assumptions and logics, it may be more fruitful to explore what they have to offer each other than to decide between the two once and for all.

To conclude, for all of their diversity, historical institutionalists share a common theoretical project and a common research strategy. The emphasis on institutions as patterned relations that lies at the core of an institutional approach does