4 Generations of Policy Instruments

4.1 Introduction

As argued in the previous chapter, the goals set in the public sector change periodically. This is understandable since it is expected, according to the theory, that one cannot give all societal problems maximum attention at the same time and therefore must neglect some problems and prioritize others. The central hypothesis is that the neglect of the same aspects in the policy-making process is evidenced simultaneously in different policy areas, and that it is the urgency of problems that arises out of this neglect that induces more fundamental changes characterizing successive policy generations.

A central point in this chapter is the argument that the choices made among policy instruments, as well as the kind of lawmaking, is expected to shift periodically, that is, simultaneous with the shifts in goals. I argue in this chapter that such changes are indeed visible. In order to make this argument, I address the following questions.

- Which policy instruments can be distinguished on the basis of the literature on this subject? Which options can governments choose among?
- Which presuppositions constitute the choice among different policy instruments? What are the merits of each of these policy instruments? What are their advantages and drawbacks?
- Is it possible to view these policy instruments as equal in value with the choice among them entirely dependent on the weighing of the pros and cons?
• Are shifts in the dominance of particular types of policy instruments visible in the practice of public policy-making in the Netherlands (and possibly other OECD countries) in the past 50 years?
• Do these shifts correspond with the shifts that are supposed to occur based on the idea of policy generations, and what do they predict regarding governance?

In this chapter, long-term developments in the use of policy instruments, with special attention given to public policy-making, are a key notion. First, it is necessary to sketch the position of policy instruments within the policy-making process. We depart from recent publications in the field of public administration that focus on this question. Research into the use of instruments and changes therein belongs to one of the most discussed topics in public administration nowadays (see in the Netherlands, among others, Iedema and Van der Ven, 1995; De Bruijn and Ten Heuvelhof, 1991; Van den Heuvel, 1998, and internationally, Vedung, 1998; Linder and Peters, 1989; Hood, 2006). In order to make my point, it is necessary to theoretically justify the idea that the application of policy instruments is not just a matter of matching means to a specific end, but it is also dependent on economic, cultural and political circumstances. I suggest that the circumstances under which the instruments are seen as adequate and the presuppositions underlying each type of instrument are as decisive in choosing among them as the degree to which these instruments contribute to the achievement of policy goals.

Second, I give a brief overview of the available range of policy instruments and briefly discuss their merits. The reason for making this point is to clarify that opting for one particular policy instrument instead of another is not to be seen as something wise or unwise. Instead, it should be seen as the result of a specific weighing of the pros and cons of the different types of policy instruments. I argue that such choices cannot be viewed in terms of knowledge, learning processes, rationality, thoughtfulness or sensibility because none of the different types of instrument distinguishes itself as being inherently more effective or efficient. All of the instruments have their merits and drawbacks. The point is that the different policy instruments are, as such, equal in value. Therefore, choosing among them is primarily a question of preferences, which may occur in a cyclical manner.