Executive Politics and Policy Instruments

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Introduction

The study of policy instruments or ‘tools of government’ is critical for our understanding of the power of the executive and the overall character of the state over time. Tools are informal institutions. The choice of policy tool or instrument is therefore not a matter of a functional or instrumental choice of the ‘best tool for the job’, rather what constitutes the ‘best tool’ is inherently about political values and conflicts. Simultaneously, however, the implicit assumptions and formal provisions that are associated with particular policy tool mixes invariably shape the setting of politics.

An executive politics perspective suggests that the relationship between politicians, bureaucrats and the wider institutional setting in which they interact needs to be taken into account when we wish to explore the nature and choice of ‘tools of government’. In this chapter, we draw on the policy instruments perspective to add to three contemporary debates in executive politics. First, we consider how a changing habitat facilitates or constrains the application of particular tools. Second, we explore what a policy instruments perspective adds to debates in public management regarding the acceptance of key doctrines in the organization of the core executive, and related concerns regarding the skills and competencies of civil servants (Hood and Lodge 2006).

Third, we utilize the policy instrument perspective to add to the current debates on ‘post-bureaucracy’. The added value of the policy instrument perspective in that context, we suggest, is to highlight the feasibility and viability of different approaches that are (or could be) pursued under the broad agenda of ‘post-bureaucracy’. The combination
of policy instrument and executive politics perspectives allows us to view some contested issues in executive politics in a different light.

**Policy tools and instruments**

Questions regarding tool types, determinants of tool choice and effects of policy instruments have been a long-standing concern in public policy and administration (Merton 1936, Sieber 1981). However, the debate has been hindered by different definitions of ‘policy instrument’ (or tool; we use these terms interchangeably) and by the variety of typologies that have sought to explore differences across instruments. Similarly, considerable energy has been spent on developing diverse catalogues of determinants of policy tool choice.

One prominent contribution to the policy instrument literature has been the comprehensive list of ‘tools’ provided by Salamon (2002, also Howlett 2011). Such lists mostly offer an insight into the diversity of potential instruments. According to Salamon (and his contributors), the emergence of ‘new’ types of tools corresponds to the emergence of a ‘new governance’. However, it is far from clear whether ‘new’ tools are really as new as suggested, or whether these accounts confuse labels with substance. A discussion regarding policy instruments needs to move beyond the description of labels and organizations, drawing on more analytical and parsimonious lenses to explore what ‘government does’. Such lenses usually respond to the question of ‘what do governments do’ by offering variations on the widely known trichotomy of carrots, sticks and sermons (Gormley 1989, Schneider and Ingram 1990, Schneider and Sidney 2009, Vedung 1998).

We use Christopher Hood’s NATO typology (Hood 1983, Hood and Margetts 2007). This approach stresses the importance of *resources* that governments use in deploying a tool. Governments can use their power of authority (the A in the NATO scheme), their financial resources (T for Treasure), their organizational capacity to do something directly (O) and their position in the centre of information flows (N).

A second distinguishing feature of the NATO typology is that it applies not only to behaviour modification of the addressees of policy tools (the ‘effectors’) but also to the ‘information-gathering’ stage of policy design, that is the feedback from the regulated domain to the governmental system (‘detectors’). Hood’s (and Hood and Margetts’) approach offers a useful starting point to explain why some instruments are preferred to others at any particular point. Its inherent focus on ‘resources’ also