

# **NEW INSTITUTIONALISM**

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# INTRODUCTION AND MEANING

- New institutionalism is a **post behavioural** approach which became prominent in the **1980s** among the scholars of US politics.
- American political scientist **James G. March** and Norwegian political scientist **Johan P. Olsen** are often considered as the two leading founders of the new institutionalism.
- ✓ “The New Institutionalism: Organizational Factors in Political Life” (1984)
- ✓ Rediscovering Institutions: The Organizational Basis of Politics (1989).
- ✓ Democratic Governance (1995).
- Other prominent thinkers- **John W Meyer, Paul DiMaggio, Walter W Powell, Douglas C North, William Scott** etc
- Both March and Olson emphasize the theoretical importance of institutions.
- The main slogans of new institutionalism are ‘**Bringing the state back in**’ and ‘**Structuring politics**’.
- New institutionalism tries to combine the interests of **traditionalist scholars**, who focused on studying formal institutional rules and structures, with **behaviouralist scholars**, who examined the actions of individual political actors.

# CONTINUED

- Institutionalism has been the major subject matter and approach to comparative politics before 1950s.
- But after 1950s , institutionalism almost become dead as an approach to comparative politics on the wake of behavioural movement. Institutionalism was regarded as descriptive, normative, speculative and incapable of scientific analysis and theory building.
- New institutionalism brought back the institution back into forces. It synthesized institutionalism with behaviouralism.
- New institutionalism help understand politics by comparing institutional system and their impact on political behaviour, process and outcomes in different countries, region and cultures.

# INSTITUTION

- Institution is different from organization.
- Organization formed based on institution or established norms, rules, values, beliefs, customs, practices etc, while organization can change institution. For example – parliament can change any established rules.
- Institution always exist for a purpose. It doesn't exist in vacuum.
- Institution are permanent but the people work in it are replaced or not permanent. For example – forefather's did this therefore we should also do it .
- there are two kinds of institutions-
  - 1) **Hard** – hard institutions are legal and have certain kind of framework. For example- parliament which is based on rules and regulations.
  - 2) **Soft** – soft institutions are not very much legal, not rule bound, but people unknowingly follow it. For example- caste system, culture etc.

# WHY/HOW INSTITUTION MATTER

- Politics is constructed in form of institutional structure.
- Institution are the vehicles through which the practice of politics is transmitted.
- Institution constrain and shape behaviours of individual.
- Institution provide the environment or field within which individuals organize themselves for purposeful activities.

# OLD VS. NEW INSTITUTIONALISM

## Old institutionalism

- Studying institution as distinct autonomous political entities.
- Formal, legal, descriptive, normative, philosophical, historical.
- Less focus on explanatory theory/hypothesis.
- Focus on hard institution, formal aspect.
- Confined mostly to studying liberal democratic institutions of west ethnocentric.
- Considered as traditional approach to comparative politics.
- No systematic cross country or cross culture comparison is done.
- Aims at inductive reasoning.

## New institutionalism

- Study institution in relation to individual behaviour (micro) and social structure (macro) , and other institution.
- Analytical, explanatory, empirical.
- Focus more on explanation and explicit theory building.
- Focus on soft institution, informal aspect as well as hard institution.
- Much wider geographical spread, attempt to study institutions of overall socio economic context.
- More inter-disciplinary.
- Aims at deductive reasoning.
- Much more comparative focus.

# **THREE SCHOOL OF THOUGHT** **REGARDING NEW INSTITUTIONALISM**

- three branches of neo-institutionalism:
  1. Rational choice institutionalism
  2. Cultural institutionalism
  3. Structural institutionalism.

# RATIONAL CHOICE INSTITUTIONALISM

- It focuses on **choices**. It may be both individual choice or collective choice.
- It is very much linked with the idea of **economy, profit and losses**. The support for an institution depends on one's profit or loss.
- The whole idea of rational choice institutionalism is about **rationality**.
- It is based on the idea of **methodological individualism**, which is based on conscious choice.
- Every individual knows well what is good or bad for him. Thus its focus is primarily on individual not collectivity.
- It assumes individual as predominantly self-centred. Achieving of personal goal whether material or non-material is the main aim of individual.
- Its basic idea is that choices of individuals act to **maximise his/her pleasure along with rationality**.
- It also stresses the idea of **cost and benefit ( lesser cost , more benefits)**.
- The idea of rational choice institutionalism was very much argued by **Adam Smith**.
- Adam Smith in **"Wealth of Nations"**, argues that an institution is pursued by self-interest which is good for any society. The state institution should not interfere in economy, distribution. For him the role of the state is minimal and individual should play an important role. Thus he argues market as an institution very important, that basically works through demand and supply.
- But the major problem is how do you deal with collective action?
- There is a problem of **'Free Riders'**. Free riders means certain people just seek to get benefit without taking part in the process.
- The whole idea of management of collective good/actions very much depends on Free riders. So the idea of Free Riding becomes very important.

# CULTURAL INSTITUTIONALISM

- Individual choices are not very autonomous, rather determined by the social environment.
- The role of **ideas, ethics, culture play a determining role in individual choice.**
- In the broader environment, people do certain things and behave in certain manner. So here the focus is on **group process.**
- Group Process is about **methodological holism or collectivism.** Methodological holism means that people define their interest according to certain kind of cultural practices, symbols. Therefore culture define people's interest.
- It argues also internalization of cultural norms and practices. Thus it is not based on rational calculation rather **based on sentiment, continuity .**
- It gives importance on that individual make decision based on cultural norms in certain **context.** Therefore context plays important role.
- Micheal Foucult in **"Discipline an Punish"** 1979, argues that our lives revels around discipline and punishment. The idea of discipline essentially linked with the idea of power and state . The core features of the state is coercion.
- Antonio Gramsci was very critical about state. For him jail is supposed to be reform not punishment.

# STRUCTURAL INSTITUTIONALISM

- It focuses on both the rational choices and cultural institutionalism.
- Its basic argument is that both institution and individual choices matter and important.
- But any kind of decision making invariably linked with social structure and depends on the whole working of the institution.
- Thus the individual and institution are determined by structure.
- Structure means a certain kind of framework that is broadly permanent. One can not replaced by other structure.
- A structure is a result of individual practices, social practices and environment. It acts as a pressure on institutional behaviour.
- No institution work neutrally. It continuously influenced by domestic forces, international factors.
- According to Marxist , institution work under the pressure of capitalist .
- Institution very in structure, character. But institution don't work independently.
- Both hard and soft institution work in collaboration with domestic and world politics.