CONSIDERATIONS ABOUT THE NEW INSTITUTIONALISM AS AN EFFECTIVE INSTRUMENT FOR THE ANALYSIS OF INSTITUTIONAL DESIGN

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This article is devoted to the analysis of various attitudes towards institutional change as a social and political phenomenon. Much attention is paid to major scholarly observations about the old institutionalism and the new institutionalism. Besides, numerous insights on institutional design and possibilities of different reforms and changes in democratic and totalitarian states are examined. Finally, some important aspects related to historical institutionalism, rational-choice institutionalism and sociological institutionalism are discussed in more depth. To make the article more vivid, some practical examples taken from Lithuanian and international contexts are presented as well.

Keywords: *old institutionalism, new institutionalism, institutional change, institutional design, totalitarian and democratic states, historical institutionalism, rational choice institutionalism, sociological institutionalism*

INTRODUCTION

Many scholars and theoreticians who are interested in the development of social and political sciences have devoted much time and effort to the analysis of institutions and their role in political processes. Major changes that influence the entire institutional system have also evoked

curiosity from all sides. It should be noted that theoretical approaches dealing with the formation of institutions, their continuous existence as well as major functions in different societies and the institutional decay have become very diverse. Initially, it is quite difficult to avoid confusion, because scientists refer to many types of institutionalism and provide numerous definitions and explanations. In fact, there is a vital need to understand in what ways different institutionalist theories should be examined, how the scholarly terms "institution", "institutionalism" and "institutional design" are perceived and what they actually mean.

Different ideas about institutions as well as opposing attitudes towards institutional change require a detailed analysis. In this article much attention will be paid to three significant issues. Firstly, major scholarly observations about the old institutionalism and the new institutionalism will be presented. Then different attitudes towards institutional design and possibilities of various reforms and changes in democratic and totalitarian states will be examined. Finally, some important aspects related to historical institutionalism, rational-choice institutionalism and sociological institutionalism will be discussed. To make the article more vivid, some practical examples taken from Lithuanian and international contexts will also be given.

THE OLD INSTITUTIONALISM AND THE BIHEVIORALIST APPROACH

In order to grasp the diversity of institutional theories, it is necessary to understand several essential differences between the old institutionalism and the new institutionalism. Some scholars place them in opposition, while others claim that common grounds can easily be found. Although, the old institutionalism is frequently regarded as outdated, it might be useful to come back to the beginnings for the sake of comparison and demonstrate that "there is life in the old bones yet"[1].

The representatives of the old institutionalism have distinguished several significant points, which are important to the approach. Firstly, they see path dependency as the expression of "the importance of historical context" and put a special emphasis on "the autonomy of institutions"[2]. In this context, institutions are regarded as independent entities,

which should be firmly rooted in their past experiences and, at the same time, take an active part in economic processes. Secondly, from the perspective of the old institutionalism, the economics should be seen as "evolutionary" as well as "holistic"[3]. This implies that such important elements as traditional business practices, the well-entrenched managerial culture, the eagerness to gradually achieve economic successes and the political progress cannot pass unnoticed. Finally, the supporters of the old institutionalism are very much preoccupied with analyzing rules and "charting the formal-legal and administrative arrangements of government and the public sector"[4]. The scrutiny of institutions, according to this approach, has been strictly focused on different sets of formal regulations. Meanwhile, potential informal ties, which might possibly unite representatives of certain institutions and show people's personal abilities to affect the situation, have not merited sufficient attention. As Kathleen Thelen and Sven Steinmo note, the old institutionalists have chosen to concentrate on the "descriptions of different institutional configurations in different countries" and their academic researches remained "deeply normative"[5]. Consequently, the behavioralist approach has emerged in political and social sciences as a refreshing and much-awaited alternative to the ideas of predecessors.

The supporters of the behavioralist movement have concentrated on the analysis of people's roles and actions within institutions which tend to break pre-set official codes and sometimes even transform the patterns of the institutional co-operation. According to Kathleen Thelen and Sven Steinmo, the focus of scholarly attention has shifted to "informal distributions of power, attitudes, and political behavior" and much heed has also been paid to the necessity to build new theoretical structures on the basis of "the actual, observable beliefs and behaviors of groups and individuals"[6]. To put it simply, bihevioralists have been disinterested in official institutional rules but fascinated by controversial and unofficial processes taking place behind the shiny facades. It is very important to note that certain elements of this approach, combined with important notions borrowed from the old institutionalism, have formed the foundations for the so-called new institutionalism.

BASIC IDEAS ABOUT THE NEW INSTITUTIONALISM AND ITS CONCEPTS

Analyzing the new institutionalism, it is essential to indicate "that it does not constitute a unified body of thought" but rather consists of three different theoretical branches, which are commonly referred to as "historical institutionalism, rational choice institutionalism, and sociological institutionalism"[7]. These three approaches are closely interrelated and it is quite complex to indicate their boundaries exactly. Metaphorically speaking, they can be regarded as separate pieces of the same puzzle that differ from each other in shape and color but it is still possible to put them into one coherent whole.

It is obvious, however, that any comprehensive analysis of each type of the new institutionalism is hardly possible without reviewing its most important concepts such as "institutionalism", "institution" and "institutional design". Being aware of strong and multiple ties which relate institutions to political processes, James G. March and Johan P. Olsen refer to institutionalism as "a general approach to the study of political institutions, a set of theoretical ideas and hypotheses concerning the relations between institutional characteristics and political agency, performance, and change"[8]. This definition clearly explains that the new institutionalism tends to provide a broad and diverse theoretical framework which remains interesting to social and political scientists alike. Importantly, it is linked to the democratic ways of making politics, the formulation of necessary policies by general consent and the authorization of adequate institutions to implement them as required. The researchers, in the meantime, are challenged to bring a great variety of new issues to the daylight, base their theoretical observations on the extensive empirical data and propose trustful evaluations. According to James G. March and Johan P. Olsen, the political life is inseparable from a big network of interrelated institutions and any "variation in institutions accounts for at least some of the observed variation in political processes and outcomes"[9]. Practically speaking, if some institutions experience large-scale changes that modify their usual routines of action or their internal structures,

certain policies and patterns of their implementation need to be adapted to new circumstances. Thus, final results may turn out to be highly unexpected and produce either negative or positive reactions from the interested parties depending on the general state of affairs.

James G. March and Johan P. Olsen also state that a typical institution can be regarded as "a relatively enduring collection of rules and organized practices, embedded in structures of meaning and resources that are relatively invariant in the face of turnover of individuals and relatively resilient to the idiosyncratic preferences and expectations of individuals and changing external circumstances"[10]. All members of the particular society are demanded to keep to common requirements developed by numerous stable institutions and organize their lives adequately. The army and the police can serve as good examples in this context since the representatives of these two institutions must comply to strict codes of behavior themselves and impose certain firm regulations on other members of society as well. The routine activities of these institutions depend heavily on the resources allocated by the government. At the same time, the police and the army can surely be considered essential for the stability of the state. From the theoretical point of view, the representatives of such institutions are defined by "common purposes and accounts" and they generally stay "more or less capable of acting according to prescriptive rules of appropriateness"[11]. Clearly, policemen are supposed to defend the law against offenders and ensure the public order, while the military men are entitled to act as faithful protectors of the home country.

Being shaped by numerous regulations and orders coming from respective institutions, most officials develop a special identity and at the same time indicate to other citizens what kind of actions are acceptable or despicable. For instance, a betrayal in wartime is denounced by the military while the public also holds a negative attitude towards this phenomenon. However, the dominant mood among the people may provoke gradual changes inside the institutions, despite a high degree of resilience to possible modifications. When Lithuania regained its independence in 1990, most citizens became especially hostile to bribery in some police departments. Although it required

a long time and much effort to initiate a serious fight against corruption, some active and decisive steps have finally been taken on the governmental level to end such practices or diminish their occurrence at least. Clearly, the long-lasting governmental activity has already given some good results. Now more people are inclined to trust the police than before. The Ministry of the Interior of Lithuania has recently made a serious research which reveals that most Lithuanians tend to "hold either a very positive or an extremely negative opinion about the police" but at the same time even "every fourth police officer would change his workplace if he were offered a chance"[12]. Thus, it is possible to make an interesting conclusion that at present the inhabitants of Lithuania consider the work of the police more effective and valuable in comparison to police officers themselves.

The concept of institutional design might seem to be quite complex to explain due to its broadness and different interpretations. Interestingly, one of the prominent American scholars, David Leo Weimer, has succeeded in developing a clear and succinct definition. In his opinion "institutional design is nothing more than purposeful institutional change" which should be thoroughly examined in order to provide "a conceptual solution to the puzzle of change amidst stability"[13]. When one starts contemplating the possibility of change and its effect on political institutions, many doubts and concerns immediately come up to the surface.

On the one hand, it is believed that sudden changes can be harmful to the institutional system as a whole and they can exhaust it very quickly. In extreme cases this process may even lead to the overthrow of the governing regime. According to James G. March and Johan P. Olsen, any "change through radical shock is [...] a classic revolutionary procedure"[14]. On the other hand, gradual alterations within major institutions are often used as a beneficial means to avoid stagnation. Interestingly, many hopes of the reformers to make things better are frequently dashed since "institutional change rarely satisfies the prior intentions of those who initiate it"[15]. Although sound institutional reforms might really serve as an impetus to investigate exciting possibilities and adjust to new circumstances, noticeable opposition to them and frequent failures appear to be inevitable.

INSTITUTIONAL DESIGN IN TOTALITARIAN AND DEMOCRATIC STATES

Talking about institutional design, Johan P. Olsen refers to it as "a process aimed at producing prescriptions, organization charts and plans, usually with some adaptive rules for coping with unforeseen circumstances"[16]. Usually any changes and reforms within a particular institution are initiated in order to improve its ability to function and respond to challenges in different ways if previous measures and procedures are no longer effective. The prospects of change usually provoke different reactions among officials and citizens. Some see it as an opportunity to achieve progress and administrative improvements, others state that numerous alterations destabilize the system, throw people into disorder as well as re-ignite struggles for power and influence on the top level. It should be noted, however, that the task of reformers who are responsible for the successful results of institutional design is opposed to pessimistic expectations. Their aims, according to Johan P. Olsen, can be extremely diverse and include commitments "to make institutions more efficient and rational" as well as "more useful to societies, more profitable for owners, more submissive to top managers, more stable and robust, or more flexible and able to learn"[17]. It is clear that some of these objectives are difficult to match because the demands of the owners might contradict the needs of wider circles of society. The relationship between the state and its people is very important too. One should bear in mind that in democratic states "final authority and responsibility lie with free and equal citizens organized as a sovereign political community" and there is enough space for "reasoned debate and deliberation, legitimate opposition and criticism"[18]. In such totalitarian states as China or North Korea, contrary to European democracies, any discussions, critical remarks or alternative proposals are impossible. In these countries the society is usually divided into two separate groups: the ruling Communist Party and the populace. All institutions function exclusively as governmental tools. Therefore decisions concerning potential institutional reforms are being made by limited groups of leading party officials. Totalitarian states are eager to control all spheres

of human life: from economic processes and monetary flows to the demographic composition of Tibet and the number of children in Chinese families. Thus political and institutional changes are simply imposed on citizens who are unable to resist. People are either terrified by systematic punishments for the disobedient or brainwashed by constant propaganda about seemingly beneficial initiatives of the Communist Party.

However, institutional change sometimes becomes inevitable and damaging for totalitarian regimes. The downfall of the Soviet Union can serve as a perfect illustration in order to prove how unexpected some institutional reforms may become. After coming to power as the leader of the Soviet Union, Mikhail Gorbachev found out that most institutions were dysfunctional. For instance, the extensive chain of food production and its supply, which had always belonged to the state, did not work properly and most of alimentary products could be acquired merely on the black market. During the Soviet era the educational system and the system of health-care, which had been managed by wide networks of state institutions, experienced severe shortages such as the lack of children's furniture or indispensable medical equipment. Unable to achieve any breakthrough neither inside the ministries nor on regional and local levels due to high resistance against any economic innovations, Mikhail Gorbachev decided to shake the system up from the bottom by allowing people to criticize stale institutions openly and demand for a massive change in all spheres of life, except politics. This turn of events proves that James G. March and Johan P. Olsen's theoretical observation that "[m]assive failure is an important condition for change" is essentially correct[19]. To the astonishment of influential apparatchiks in the Communist Party and Mikhail Gorbachev himself, the process of "Perestroika" rapidly became uncontrollable. It served as the initial stage for new political processes and resulted in strong freedom movements operating in Lithuania, Latvia and Estonia. To put it simply, "Perestroika" turned into a political nightmare for Mikhail Gorbachev because the Soviet Union finally disappeared, contrary to his initial plans to strengthen its economic foundations and make its institutions function better.

At present Central and Eastern Europe regards institutional design

as related to democratic processes. It is important to remember, however, that "democracy is also an open-ended project" which can never be fully accomplished but "tensions or contradictions [...] are an important source of change in a democratic order"[20]. For example, some time ago the government of Lithuania announced that the Ministry of Agriculture should be transferred from the capital Vilnius to the second largest city Kaunas. The possibility of transfer provoked strong discontent among the bureaucrats. Their resistance happened to be unavoidable despite the fact that such an initiative would have met the demands of society. Many citizens would have considered this step as a successful attempt to decrease the accumulation of all governmental institutions in one city. In fact, this idea has been raised and continuously supported by numerous nongovernmental organizations as well as "Lithuanian Farmers' Union" operating in various parts of the country. A heated discussion on this subject has continued for quite a long time but the final decision to relocate the ministry has never been made. If one looks at this process in depth, one can clearly see that the initial proposal concerning this matter has come from the citizens due to the bottom-up model of governance. Interestingly, it has been supported on the ministerial level as well. However, the practical implementation of the very idea about the transfer of the Ministry of Agriculture from Vilnius to Kaunas has immediately been blocked by the unwilling middle-level bureaucracy. In any totalitarian state similar initiatives and patterns of resistance would hardly be even possible due to the top-down model of governance. On the other hand, much additional work needs to be done in democracies because changes are quite frequently perceived "not as improvements and progress, but as disruptive, resource-demanding, painful and threatening in terms of status, power, and policy consequences"[21]. In order to change this negative attitude, citizens, officials and the government have to cooperate closely while making necessary reforms.

REMARKS ON HISTORICAL INSTITUTIONALISM

It has already been mentioned in the previous section of the article that three different types of the new institutionalism manage to coexist

and even supplement each other with new theoretical details. As Peter A. Hall and Rosemary C. R. Taylor rightly observe, these approaches "seek to elucidate the role that institutions play in the determination of social and political outcomes" but it should not be forgotten that "they paint quite different pictures of the political world"[22]. It is very important to indicate what their basic features are and how they react to the possibility of institutional design.

Historical institutionalism has frequently been considered less explicit than other two approaches but it possesses several essential elements that can be easily distinguished and presented. Firstly, it should be noted that historical institutionalism refers to institutions as "the formal or informal procedures, routines, norms and conventions embedded in the organizational structure of the polity or political economy"[23]. The representatives of this approach are inclined to examine multiple interactions between the middle-range officials who represent the state as an important part of the bureaucracy and ordinary citizens who are eager to defend their personal interests. Importantly, a special emphasis is usually put on the necessity to analyze concrete cases and incorporate various generalizations into the theoretical framework afterwards. Due to extensive attention to the empirical analysis, historical institutionalists are often criticized by their opponents for being "engaged in something less than theory building"[24].

Practically speaking, the bureaucrats are expected to apply official rules and adjust traditional practices to everyday life as required and the people are obliged to keep to them as indicated. However, the course of events tends to be much more complex and controversial in practice. In fact, stable institutions are often seen as a guarantee for the maintenance of the social order. But if they fail to help the population to solve its problems, a deep credibility crisis might occur. For instance, when the response to the after-effects of the hurricanes Katrina and Rita in the Gulf Coast region proved to be inadequate, most Americans became deeply disillusioned in their federal and governmental institutions and their ability to assist the afflicted.

Secondly, historical institutionalism is related to the concept of

path dependency, which provokes many heated discussions among sociologists who are interested in the development of institutions. As Kathleen Thelen notes, path dependency may be associated with "crucial founding moments of institutional formation that send countries along broadly different developmental paths" and inextricably linked to the idea that "institutions continue to evolve in response to changing environmental conditions and ongoing political maneuvering but in ways that are constrained by past trajectories"[25]. In other words, the political systems of every country are influenced by certain traditions which determine in what ways institutions continue to develop. In this case historical examples play a very important role, indeed, since most of new policies are formulated by taking past experiences into account. When a new policy is being devised, its creators are often limited by the political heritage of a particular country. Michael Howlett and m. Ramesh observe that "once a trajectory is in place it tends to 'lock-in' the previous state of the system and the direction of its dynamics"[26]. Therefore the introduction of new practices into the political system or the desire to tread in a new direction sometimes happens to be problematic. Institutions, in turn, are forced to strike a balance between their duty to maintain traditional social models as well as perform their usual functions and the need to look for innovations and respond to future challenges effectively.

Lithuanian health-care system and its reform can be an interesting example showing how difficult it might be for the medical institutions to adapt to some necessary changes. Lithuanian citizens traditionally hold the opinion that all medical expenses should be completely covered by the state through the social insurance system. This practice of complete financing has been kept alive for more than eighteen years. However, the government is no longer able to cover all medical expenses due to growing treatment costs and the lack of financial resources. A recent governmental decision to gradually introduce the system of additional payments for the hospitalization and home visits has evoked much resistance from the populace. Although managers of hospitals and polyclinics have undertook the difficult task of explaining to

their patients why these changes are needed and how the new system is going to operate, most people see the reform as harmful and faulty.

Thirdly, historical institutionalism does not provide very extensive explanations about the process of the formation of institutions and institutional design in comparison to these of rational choice institutionalism. It should be noted, however, that some interesting insights can still add some fresh hues to the picture. Peter A. Hall and Rosemary C. R Taylor emphasize that "[i]nstitutions are resistant to redesign ultimately because they structure the very choices about reform that the individual is likely to make"[27]. The stability of institutions and their reluctance to undergo major transformations are tightly connected with many cultural factors and political traditions. In a way, institutions determine which actions of individuals should be endorsed or condemned and what kind of behavior might be termed desirable. The overall influence of institutions and their ability to affect people's decisions sometimes become so overwhelming that potential reformers and designers are frequently rendered incapable to provide truly innovative alternatives. Besides, institutions are often stimulating "societal forces to organize along some lines rather than others, to adopt particular identities, or to develop interests in policies that are costly to shift"[28]. For this reason, many valuable suggestions advocating noticeable improvements may end up being transformed beyond recognition in order to prevent any harm being done to institutional structures.

Another important element of historical institutionalism is commonly referred to as the punctuated equilibrium model. From the perspective of social and political sciences, its most important propositions are based on the scholarly idea that "institutions are characterized by long periods of stability" as well as periodical "crises that bring about relatively abrupt institutional change" which is immediately followed by "institutional stasis"[29]. If the country faces a possibility of recession, for example, many institutions might experience some difficulties. However when the economic and financial crisis is finally overcome, the institutional stability increases. This model may also be applied to the political analysis quite broadly because major shocks

as well as calm periods occur interchangeably in domestic policy and foreign policy alike.

It is essential to note that if the state experiences a highly extraordinary event which challenges its institutional routines, significant changes are very likely to occur as an inevitable reaction to new circumstances. For example, the train bombings in Madrid in the morning of March 11, 2004 not only became a vast and shocking tragedy for the Spanish, but also created many problems for political institutions, put much tension on the security services and finally led to the downfall of the conservative government. Consequently the Spanish military forces were withdrawn from Iraq to minimize the terrorist threat. Later, the educational reform was initiated by the newly-elected socialist government and the liberalization of divorce laws as well as abortion laws followed. Theoretically speaking, such a swift regrouping on the political arena can be explained as a result of the temporary "institutional breakdown" which created the possibility for political processes to "shape institutions"[30]. However, the Spanish institutional system has finally managed to recover and retain a high degree of stability despite the initial shock and subsequent alterations. This instance is very interesting because it also proves a theoretical proposition that "the external pressures" as well as "maneuvering *within* the institutions in response to [...] external events" are equally important[31].

It is possible to make a final conclusion that historical instutionalists concentrate on institutional change as a phenomenon, which may produce negative and positive outcomes. The possibility to re-design institutional structures creates a chance for them to connect past practices with novel opportunities and accumulate the experience by learning something new from the results. However, there is also a tendency to limit the scope of possible institutional reforms and make a considerable impact on them. It is quite a difficult task because the golden middle between progress and stability can rarely be found. Sudden institutional changes are deemed to be conceivable in the wake of big crises but they are unlikely to demolish the system in its entirety in democratic countries.

LESSONS DRAWN FROM RATIONAL CHOICE INSTITUTIONALISM

Examining rational choice institutionalism in more depth, one should, at first, distinguish and perceive its main four features. Firstly, this approach is based on the belief that "the relevant actors have a fixed set of preferences or tastes [...], behave entirely instrumentally so as to maximize the attainment of these preferences, and do so in a highly strategic manner that presumes extensive calculation"[32]. Therefore it is absolutely necessary to combine different interests of interrelated institutions because conflicting attitudes may turn into serious obstacles for their co-operation. There is also a vital need to adjust particular desires of a concrete person to the societal obligation in order to ensure the common good for all citizens. From the perspective of rational choice institutionalism, much attention should be paid to the analysis of institutions "as features of a *strategic* context, imposing constraints on self-interested behavior"[33]. To put it simply, institutions are expected to provide different collections of rules which would put reasonable limits on people's wish to attain maximum benefits for themselves at the expense of other individuals and their exigencies.

The second feature of rational choice institutionalism is related to the wide-spread perception of "politics as a series of collective action dilemmas"[34]. From time to time, some steps taken by individuals to achieve particular political goals may produce controversial results. In some cases, concrete choices or decisions of influential leaders may be highly useful to them or their parties but extremely harmful to other political factions or certain social groups if the latter keep to the entirely different strategy of action. Therefore it is essential to look for alternatives which would encourage politicians to gain some collective support for their cause from different sides and would also enable them to "make at least one of the actors better off without making any of the others worse off"[35]. However, a win-win situation is difficult to achieve due to ideological extremes and a strong discord among opponents on the political front.

Thirdly, the supporters of rational choice theory claim that "an actor's behavior is likely to be driven, not by impersonal historical

forces, but by a strategic calculus" and emphasize that "this calculus will be deeply affected by the actor's expectations about how others are likely to behave as well"[36]. This scheme can be easily applied to the realm of the international politics. For example, when the president of the United States George W. Bush attributed Iran to the so-called axis of evil, Iranian governmental institutions immediately reacted by directing more financial and material resources to the acquisition of nuclear technologies. Consequently, people in both countries started discussing fearfully about the possibility of a military conflict if diplomatic negotiations would fail to ameliorate the situation. This instance reveals that American defense institutions founded their diplomatic strategy on negative expectations about Iran. However, when such a negative attitude was openly expressed, things became much worse than before because Iranian defense institutions restructured their strategy after taking a possibility of war into account. In other words, bad expectations on one side provoked even more negative expectations on another side. Thus adequate institutions were forced to adapt to new circumstances and military strategies had to be reviewed. Analyzing this situation from the viewpoint of the supporters of rational choice institutionalism, one may easily notice that political hostilities can be avoided on the condition that institutions start using "mechanisms that reduce uncertainty about the corresponding behavior of others [...] thereby leading actors toward particular calculations and potentially better social outcomes"[37]. To put it simply, the more is known about concrete plans of different actors, the more precise political calculations and expectations tend to be. This contributes greatly to the quality of potential results in the social sphere as well.

Fourthly, rational choice institutionalism endeavors to explain "how institutions originate" and reveals that "the process of institutional creation usually revolves around voluntary agreement by the relevant actors"[38]. In fact, each institution is formed in order to satisfy the needs of its members and defend their interests on political and social levels. When one starts analyzing this phenomenon, it is possible to distinguish different groups of individuals that seek to implement their objectives through a particular institution. It should be noted that the

successful existence of every institution actually depends on its ability to "[provide] more benefits to the relevant actors than alternate institutional forms"[39]. For example, when the main objective of Lithuanian foreign policy was to join the European Union, the government created the Ministry of European Affairs of the Republic of Lithuania. The main task for this institution was to make the process of joining to the European Union as smooth and flawless as possible. Since there was an urgent need to solve a multitude of issues concerning the process of integration into the EU, the functions of the new ministry were separated from these of the Ministry of Foreign Affairs of the Republic of Lithuania. However, when Lithuania became the member state of the European Union, the Ministry of European Affairs ceased to exist as a separate entity. Finally, its employees and functions were taken over by the Ministry of Foreign Affairs.

Rational choice institutionalism is a valuable and flexible tool for studying institutional design, too. According to Philip Pettit, this theoretical branch "represents quite a sophisticated viewpoint on human behavior" and at the same time it "fits well with many of the insights of more sociological approaches"[40]. The main emphasis is generally put on different instruments, which either encourage people to act in accordance to socially acceptable modes of behavior or prevent any potential deviations as early as possible. Traditionally, the advocates of rational choice institutionalism seek to develop theoretical models which can be universally applied in many situations some time later. However, they are often attacked by the representatives of historical institutionalism for devising "elegant theories" without paying sufficient attention to the much needed ability "to explain real observed events"[41]. Opposing attitudes towards the development of theories and the empirical analysis mark the line of division between the two approaches.

As Philip Pettit notes, the study of institutional design often helps to understand "how social life is arranged and who are in a position […] to propose changes designed to effect a rearrangement"[42]. It is important to remember, though, that the right to initiate reforms is not limited to exclusive circles of the privileged and the powerful in

democratic countries. Therefore each and every citizen is entitled to make a significant change which might affect institutions. The Civil Rights Movement in the United States has already demonstrated that ordinary citizens such as Rosa Parks can shake up institutions on different levels. The election of Barrack H. Obama during the last presidential race demonstrates what progress has been achieved in the U.S. over time. Above-mentioned facts also prove that institutional design is not the mysterious work of the select few.

From the perspective of rational choice institutionalism, two groups of tools should be regarded as absolutely necessary for institutional design. According to Philip Pettit, the first group consists of sanctions, which "operate on the set of options before an agent, making some options more attractive or less attractive" and bring their influence on "the relevant incentives"[43]. In fact, the incentives are very important for institutional design because they encourage the creation of new institutions or their subsequent transformation and accelerate the decay of the old ones. A concrete incentive to reform a particular institution, in turn, can become either harmful or beneficial to the entire institutional system of a particular state. Thus, depending on the situation, sanctions for good or bad decisions, which have been made by responsible officials, usually "come in negative and positive forms, as penalties or rewards"[44]. Having a possibility of punishment in mind, it is easy to predict that the proponents of change take quite big risks while trying to re-design institutions because such attempts disrupt the usual order of things. Here, the factor of success becomes crucial because after experiencing a failure, authors of institutional reforms usually get penalized and crushed by the opponents. Besides, if one is well aware that caution and passivity are more likely to give him some benefit, he might be less willing to stray away from the beaten track. In such cases, institutional changes happen to be either very slow and minor or completely undesirable.

The second group of tools for institutional design is related to "screens that a designer may contemplate" in order to clarify the situation, avoid possible mistakes and "ensure that some agents and not others will get to make certain choices or that in certain choices some

options and not others will be available"[45]. Here, the initiator of institutional design emerges as a decider who attributes certain important functions to suitable units or individuals and rejects unsuitable ones. The analysis of this process reveals that "screens may also be negative or positive" because they can limit or expand people's ability to participate in institutional change and "[put] some options on or some options off the list of available alternatives"[46]. However, the scope of institutional change and its success depends on many elements such as the availability of skilled professionals and financial resources, the support of superiors and subordinates, the ability to reduce opposition to innovation, the accuracy of choices and the adequate reaction of wider circles of society. Thus, people who implement some institutional changes have to coordinate many factors in order to turn their vision into a reality.

Rational choice institutionalism is useful because this approach endeavors to provide some theoretical means to solve problems in different contexts. In the opinion of Philip Pettit, it serves as a foundation for relating institutional design to two different categories of people. The first category covers individuals "who comply with any relevant norms" while the second category is left to people who can be labeled "deviants or noncompliers"[47]. The scholar also proposes separate strategies for dealing with both groups of people. He pays much attention to the use of carrots and sticks in order to suppress possible resistance to changes. In his opinion rebellious members of any institution either need to acquire "more motivation than is necessary for most" or have to be persuaded by "deviant-centered sanctions"[48]. However, the scholar immediately admits that such practices may lead to the misuse of power and other solutions have to be found. In fact, the detailed explanation of particular goals of reforms can help to solve this problem. If a person understands that concrete changes will make the institution more efficient, he will be less reluctant towards them. However the process of communication between reformers and other people requires patience, time and effort.

The acquiescent members of the institution are also seen as a potential threat to institutional design since their support may disappear

due to "the virtual presence of self-interest"[49]. In other words, if the change appears to be harmful to their needs and expectations, such individuals may end up resisting it fiercely. If the course of events turns out to be unfavorable to change-makers, they have the possibility to deal with the situation in three ways. Firstly, the consensus of opinion can be restored by providing "more attractive, suitable options" before imposing possible sanctions[50]. In fact, some new proposals can provide fresh opportunities for people working within the institution and eliminate tensions quite easily. For instance, if there is some strong resistance for wage cuts in the public sector as a result of the financial crisis, additional health insurance benefits may serve as an excellent alternative to ease the discontent among employees.

Secondly, special emphasis is put on the application of certain "sanctioning devices that are deliberatively supportive" and help to develop "the sort of deliberative habits which constitute or produce the desired behavior"[51]. To put it simply, institutions should not blindly punish people for their disagreements concerning innovation. It is essential to give them a chance to analyze schemes of acceptable action, understand the reasons for changes, make reasonable compromises and consciously accept new requirements as a part of everyday life. Finally, as Philip Pettit explains, "it is always going to remain necessary to rely on sanctioning as well as screening devices"[52]. Such practice would help to increase clarity, avoid misunderstandings and diminish potential conflicts between private interests and institutional needs. Repetitive decisions to install additional networks of cameras in the streets of London have resulted in strong apprehensions about shrinking privacy among some influential security experts and fighters for human rights. However, the top officials of the British police managed to persuade them as well as the general public that such steps are needed in order to prevent future terror attacks and domestic crime more efficiently. If they had not done so, the reaction against the increased surveillance would have been much stronger.

Thirdly, institutional design is seen as influenced by the necessity to develop adequate instruments to "cope with occasional knaves" who are extremely resistant and "will never be contained completely"[53].

This is probably the biggest challenge for most institutional designers because stubborn opponents are difficult to silence and their opinions tend to influence supporters to some extent. According to Philip Pettit, they can do much harm by "[disturbing] the habits of the majority" and for this reason alone punitive measures should be applied "at a higher, more severe level"[54]. Interestingly, in this case theoretical limits of rational institutionalism seem to be transgressed since no schematic prescriptions or universal solutions are provided. This fact serves as an eloquent proof that real life situations happen to be extremely challenging as far as institutional design is concerned.

Analyzing institutional design from the perspective of rational choice institutionalism, much attention is devoted to incentives, strategic calculations, different political and social expectations, the formation of institutions and their subsequent change. The analysis of relations between people working within the institutions and reformers who strive to change them reveals the complexity of institutional design in more depth. It is obvious that the very process of re-designing often raises much difficulties and hardships for both sides. In fact, rational choice institutionalism shows institutional design as highly dependent on the collective cooperation of individuals who understand and support the need for innovation under changing circumstances. Opponents are either given extra motivation to contribute or get penalized. Since institutions are usually expected to function as efficiently as possible, the success of structural or functional modifications is measured by their subsequent performance on social and political levels. To conclude, institutional design is seen by rational choice institutionalists as a complex phenomenon which is possible but not always desirable by everybody. Besides, it has to be monitored in order to ensure and achieve adequate results.

COMMENTS ON SOCIOLOGICAL INSTITUTIONALISM

Sociological institutionalism differs considerably from other two branches of the new institutionalism. Most importantly, it refers to "institutions much more broadly than political scientists do to

include, not just formal rules, procedures or norms, but the symbol systems, cognitive scripts, and moral templates" which make up the foundation for people's world views and explain their habits, choices and decisions[55]. This approach examines such significant elements as political processes and different cultural experiences, the formation of identities and their impact on the functions of numerous national or international institutions. The main focus is placed on the analysis in what ways various traditions, social norms, institutional requirements and political heritages supplement one another and how they affect the quotidian institutional routines and the working procedures.

If one starts examining various institutions of the European Union, it becomes quite obvious that different cultural backgrounds of officials might play quite an important role. After having worked for several years as a professional translator for the Committee of the Regions, I have made a personal conclusion that the so-called civilizational factors are truly significant for any institution. In the Committee of the Regions, for instance, all translators belong to separate national divisions and co-operate among themselves. Although functions of these divisions are identical as defined by the Staff Regulations, each division also follows its own unofficial rules and procedures. For instance the members of the Greek translation division usually start and finish their work one hour later then these of other translation departments. This unofficial practice can be explained by a different sense of time, which can hardly be changed. Meanwhile, the Czech translation division applies special administrative measures in order to distribute the workload among translators more fairly. This example derives from a traditionally sensitive attitude towards the subordinates among the Czech superiors.

Another important feature of sociological institutionalism is related to the scholarly aspiration to develop "a distinctive understanding of the relationship between institutions and individual action"[56]. On the one hand, institutions are influenced by national and personal features of their staff to some extent. On the other hand, each individual's unique personal nature is being inevitably shaped by the institution he or she works for. As Peter A. Hall and Rosemary C. R. Taylor indicate, "individuals who have been socialized into particular institutional

roles internalize the norms associated with these roles"[57]. If certain governmental institutions require its employees to wear dark suits, for example, it is very likely that they will gradually develop a preference for this type of clothes. After some time the same dark suit will acquire a deeper meaning for the civil servant as a symbol of his status. Later, he might be encouraged to adapt to other requirements and cherish a number of important symbols such as traditional Christmas parties or visiting a tennis club with his colleagues on Saturdays. Importantly, all these symbols, requirements, and professional values transform people by creating new meanings and at the same time make them to keep to "the logic of appropriateness" which penetrates the entire institution and defines its place in "ambiguous worlds"[58]. The sense of unity among employees who follow the same rules all the time also make the institution more resistant to reforms and changes. It is important to note that the representatives of sociological institutionalism believe that "a new institutional practice" may be introduced only if it is "valued within a broader cultural environment"[59]. In accordance to basic assumptions of this approach, institutional design is possible but any reforms or changes can be successful if they manage to squeeze into the local value system and acquire certain meaning for the members of a particular institution. Otherwise, new initiatives risk to be rejected even if they might be very useful in the future. As Kathleen Thelen nicely sums up, all attempts "to redesign institutions [are limited] by these embedded, cultural constraints"[60]. Therefore even leadership and negotiation styles or certain kinds of diplomacies are often associated with different cultures and nations. For example, politicians often talk about the Russian diplomacy or the American pressure and insist quite openly that some cultural aspects should always be kept in mind while making politics or doing business.

CONCLUSION

Three branches of the new institutionalism have evoked much interest in academic circles, yet political and social scientists still argue concerning the impact that historical institutionalism, rational choice

institutionalism and sociological institutionalism make on the concept of institutional design. It should be openly admitted that "great diversity within new institutionalism" may not only provoke challenging thoughts but result in the lack of clearness and even cause unnecessary confusion among students and young researchers[61]. Therefore the main objective of this article has been to shed more light on the origins of the new institutionalism and its development, explain basic terms and examine all three versions of this many-layered approach in relation to institutional design. Additional attention has also been paid to the possibilities to initiate necessary changes and institutional reforms in totalitarian and democratic countries. To make the text more interesting and varied, numerous valuable observations of such outstanding scholars as Kathleen Thelen, Sven Steinmo, James G. March and Johan P. Olsen have been incorporated.

The analysis of three types of the new institutionalism has provided an excellent possibility for additional deliberation. In fact, many well-known experts actively participate in a fiery debate about future prospects for the new institutionalism and the contentious role of institutions. Some analysts tend to perceive "institutions as the single most important variable in explaining politics"[62]. As a consequence, all branches of the new institutionalism are expected to gradually transform into an innovative theory devoid of inner divisions. Other influential academicians, in the meantime, hold the opinion that "historical, rational choice, and sociological institutionalists alike give great theoretical importance to institutions" which should be regarded merely as "a *meeting point* in the evolution of these traditions"[63]. In their opinion, all presuppositions and conjectures about the potential formation of an unexpected and united version of the new institutionalism should be rejected as unacceptable. To my mind, the third position can still be introduced in between these two viewpoints. On the one hand, it should be admitted that historical institutionalism, rational choice institutionalism and sociological institutionalism currently remain interrelated and sometimes borrow certain theoretical insights from each other. On the other hand, there is a real possibility for three types of the new institutionalism to undergo a serious change

and eventually lay the foundations for a novel theoretical approach. But today they can still be easily compared to separate elements of the mosaic floor which are quite different and simultaneously create an impressive ornament. It should also be emphasized that the field of study is really broad and for this reason many fresh interpretations on the subject may be presented in the future.

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SANTRAUKA

SVARSTYMAI APIE NAUJĄJĮ INSTITUCIONALIZMĄ KAIP VEIKSMINGĄ INSTITUCINIO DIZAINO ANALIZĖS INSTRUMENTĄ

Raktiniai žodžiai: senasis institucionalizmas, naujasis institucionalizmas, institucinė kaita, institucinis dizainas, totalitarinės ir demokratinės valstybės, istorinis institucionalizmas, racionalaus pasirinkimo institucionalizmas, sociologinis institucionalizmas.

Straipsnyje pateiktas skirtingų nuomonių apie institucinę kaitą vertinimas bei jų analizė atsižvelgiant į svarbias aktualijas. Šiame kontekste institucinė kaita suvokiama kaip įvairialypis socialinis ir politinis fenomenas. Daug dėmesio skiriama moksliniams svarstymams apie senąjį ir naująjį institucionalizmą. Be to, nagrinėjamos žymių mokslininkų Jameso G. Marcho, Johano P. Olseno, Kathleen Thelen, Philipo Pettito ir Sveno Steinmo įžvalgos apie institucinį dizainą bei įvairių reformų galimybes demokratinėse ir totalitarinėse valstybėse. Galiausiai plačiai aptariami svarbūs teoriniai aspektai, glaudžiai susiję su istoriniu institucionalizmu, racionalaus pasirinkimo institucionalizmu ir sociologiniu institucionalizmu. Aptariamiems teoriniams klausimams iliustruoti pasitelkti praktiniai pavyzdžiai, atskleidžiantys Lietuvoje ir užsienio valstybėse veikiančių institucijų ypatumus ir joms iškylančius iššūkius, kurie dažnai paveikia vidaus ir užsienio politikos tendencijas.