

INSTITUTIONAL LAYERING: A REVIEW OF THE USE OF THE CONCEPT

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Abstract

Over the years layering has gained increasing attention in studies of institutional change. Notably, the concept has been subject to the exact mechanism it tries to explain: incremental change. This article reviews the use of the concept over a 60-year time span in order to elucidate its value for studying institutional change. The article especially looks at the use of the concept by one of the leading authors in the field: Kathleen Thelen. It concludes that layering provides a bridge between – seemingly conflicting – ideas on incremental change and punctuated equilibrium.

Key words

layering, institutional change

Institutional layering: A review of the use of the concept

Introduction

For a long time institutional analysis has been guided by the idea of long periods of stability that are incidentally punctured. Yet, such shocks do not always result in institutional change, and institutional change does not always come from exogenous shocks (Pierson, 2004, p. 99). The idea that institutions change over time, while they appear to show stability, has inspired a number of scholars to identify and describe mechanisms of incremental institutional change. A leading scholar in this field is Kathleen Thelen, who has introduced, defined and developed a number of such mechanisms (e.g. Thelen, 1999; 2003; 2004; also: Mahoney and Thelen, 2010; Streeck and Thelen, 2005).

One of these mechanisms is 'layering'. Thelen uses the concept to explain gradual institutional transformation through a process in which new elements are attached to existing institutions and so gradually change their status and structure. It is essential that the new does not replace the old, but is added to it. Thelen is not the first to describe this mechanism, but since her usage of it, many scholars have followed her example – often referring to Thelen as their source of inspiration. These scholars often use the concept slightly differently from Thelen, however, and over time the concept has been subject to exactly that which it tries to explain: incremental change through layering. A downside of this 'layering of layering' is that the comparative advantage of using the concept is lost.

Through a historical analysis of potential – although not established – antecedents of Thelen's work, this paper aims to provide a categorization of different usages of the concept in past and contemporary literature. The paper aims to understand the value of layering in studying institutional change as being one of the many concepts in the institutionalists' toolbox. It finds the concept of layering holds the potential to bridge ideas on punctuated equilibriums and incremental change.

The bigger picture: Studying institutional stability, reproduction and change

When overlooking institutional change literature, a broad distinction can be made between those studying major change as a result of exogenous shocks, and those studying ongoing incremental change (cf. Pierson, 2004). A typical example of the work from the former category is Baumgartner and Jones' (1993) *Agendas and Instability in American Politics* in which the model of punctuated equilibrium is introduced. The model suggests that most institutions remain stable for a period of time and are sometimes punctured by a sudden shift in society or government. War or (financial) crises are examples of such sudden shifts. The model might as well be characterized by a model of institutional stability, as major attention is paid to the stickiness of institutional cultures, the bounded rationality of policy makers and vested interests, which make it difficult to change existing institutions.

An alternative view on institutional change is found in incrementalist literature. This particular strand of literature holds that institutions change continuously, but gradually over time. Different actors constantly try to change an institutional structure, whilst others aim to protect the status quo. As such institutional reproduction is studied as it is considered inextricably bound up with gradual institutional change (cf. Campbell, 2009 – Campbell provides a terrific overview of this literature). This approach to studying incremental change

is sometimes framed as a reaction to the more traditional view on institutional change in response to exogenous shocks (e.g. Thelen, 1999).

Having studied both strands of literature, the reader is left somewhat unsatisfied. It goes without saying these literatures are not opposite, but complementary approaches towards institutional change (Anonymous, 2010; though, some have a different view, e.g. Mahoney and Thelen, 2010). The problem is, however, that in punctuated equilibrium literature it remains unclear when change is considered *major* change and not the order of the day; and when a shift is considered a *sudden* shift. Similarly, in much incrementalist literature it remains unclear when we should consider change as *incremental* change and not major change resulting from the adding up of minor changes; and when we should consider change as *ongoing* change and not abrupt change when, for instance, incremental change triggers a tipping point. As is so often the case: depending on the point of departure – punctuated equilibrium literature or incremental change literature – one is likely to find the point of departure confirmed.

A second issue with both strands of literature is that often the combination of ‘what might be considered change?’, ‘to whom?’, and ‘under what circumstances?’ questions (cf. Pawson and Tilley, 1997) is not taken up. As such using the punctuated equilibrium lens might result in finding major and swift change in construction law as stipulated under a Housing Act when considered from a contractor’s point of view in 2003, *but* a slow and incremental policy process that started in 1983 to get construction law substantially changed when considered from the Minister of Housing’s point of view – *and* a relative speedy but marginal change when considered in the trajectory of ongoing change of that Housing Act since it was introduced in 1901 (Van der Heijden et al., 2007). Some approaches, however, seem to have the potential to overcome some of these issues; Kathleen Thelen’s theory on layering provides such an approach.

Layering may be considered to fit in reasoning on what happens if a gap exists between an institution’s intentions and its outcomes (Campbell, 2009). Some actors will try to close the gap, whilst others might benefit from the gap as it serves their interests and aim to keep it as it is. Layering holds that an existing institution is not replaced, but that new institutional layers – these might for instance be rules, policy processes, or actors – are added to it (e.g. Mahoney and Thelen, 2010). Thelen discusses a number of other mechanisms of institutional change that fit this focus on a mismatch between an institution’s intention and outcomes (Mahoney and Thelen, 2010; Streeck and Thelen, 2005) – for instance, conversion (the redeployment of existing institutions for new purposes), drift (the changed impact on existing institutions because of shifts in the institution’s environment and a lack of adjustment to them), and displacement (the abolishment of old institutions and the introduction of new ones, often alongside the old). Bricolage (‘the rearrangement or recombination of institutional principles and practices in new and creative ways’) and translation (‘the blending of new elements into already existing institutional arrangements’) provide other mechanisms that fit this reasoning (Campbell, 2009, p. 99).

The strength of these approaches is that they move beyond the discussion of major and incremental change, include a multi-actor and interest perspective, and provide the ability to zoom in and out on a larger or smaller timescale. As such these are all intriguing mechanisms for further inquiry. Though given the apparent popularity of the use of layering

(I discuss this elsewhere, see Anonymous, 2010) I will focus on layering in the remainder of this paper.

Thelen's approach to layering

Over time Thelen has introduced different definitions of the concept. Compare for instance the following:

- 'layering (...) involves the partial renegotiation of some elements of a given set of institutions while leaving others in place' (Thelen, 2003, p. 225);
- 'layering (...) involves the crafting of new elements onto an otherwise stable institutional framework' (Thelen, 2004, p. 32);
- 'layering involves active sponsorship of amendments, additions, or revisions to an existing set of institutions' (Streeck and Thelen, 2005, p. 24);
- 'Layering occurs when new rules are attached to existing ones, thereby changing the ways in which the original rules structure behaviour' (Mahoney and Thelen, 2010, p.16)

Without stripping these descriptions semantically to the bone, it becomes clear that for Thelen the concept holds some plasticity. This might be explained by her source of inspiration: Schickler's work on the US Congress. In his most cited work, *Disjointed Pluralism* (Schickler, 2001b), Schickler uses the term 'layering' a number of times, but does not provide a definition. Part of the introductory chapter of this book comes closest to a definition. When discussing possible features of institutional change, Schickler explains that one is: 'the layering of new arrangements on top of preexisting structures intended to serve different purposes (...) [which] results in institutions that appear more haphazard than the product of some overarching plan' (Schickler, 2001b, p. 15).

Schickler, for his part, refers to the work of Orren and Skowronek (1994) as his source of inspiration. These authors discuss the need for the inclusion of time in institutional analysis and the need to step away from the presumptions of system coherence (Orren and Skowronek, 1994, p. 316). By paying attention to time, scholars become able to analyze continuities within institutional forms and their impact: 'pieces held over from earlier patterns are part and parcel of the institutional composition and of the institutional construction of temporality itself' (Orren and Skowronek, 1994, p. 317). These authors, however, seem hesitant about using the term 'layering' for this process.

Given Thelen's essential, and recurring, reference to Schickler – and given the frequent reference to both these authors in contemporary works that address layering – it is important to note here that Thelen does not fully follow Schickler's approach to layering. Schickler appears especially interested in the reasons underlying layering:

I show that different interests emerge as particularly important in different eras, that multiple interests typically shape each instance of institutional change, and that specific institutions develop through an accumulation of innovations inspired by competing motives, which engenders a tense layering of new arrangements on top of preexisting structures. (Schickler, 2001a)

With the introduction of this concept Kathleen Thelen has provided a new lens for understanding incremental and endogenous rather than radical and exogenous change. The real strength of the concept, however, is exactly that it overcomes thinking in terms like incremental and radical, and endogenous and exogenous. Especially in the latest addition to her theorizing (Mahoney and Thelen, 2010) we see a strong focus on the characteristics of the institutes' political context, the characteristics of the institution itself, and the actors that aim to change or preserve the institution. By including these potential factors of change both internal and external forces are embraced, whilst the focus on the time frame of change no longer has focal attention.

Layering in contemporary literature

After Thelen's development of the concept we see a proliferation of its use in current literature on institutional change (e.g. Ackrill and Kay, 2006; Béland, 2007; Boas, 2007; Bruszt, 2008; Engelen, 2006; Hacker, 2004; Parker and Parenta, 2008; Thatcher and Coen, 2008). Some authors criticize Thelen's work for not being clear enough on the boundaries of the concept (e.g. Duit, 2007). Most authors work their way around this issue by slightly adapting the concept or adding elements to it. As a result the concept is sometimes broadened up or narrowed down – i.e. it is subject to some sort of layering itself. This does, however, result in an inconstant use of the concept. The following cases are illustrative here.

Illustrative case studies

The growth of the European Union (EU) appears to be fruitful ground for analyzing institutional change through layering. Various authors use Thelen's work on layering to address the topic. Yet, when comparing the works by different authors it seems they feel the need to adapt the concept. Ackrill and Kay (2006), for instance, slightly adapt layering into a 'spatial' and 'temporal' component in order to explain the difference between new member states entering the EU framework and existing rules and structures that keep the trajectory of this framework unchanged. Thatcher and Coen (2008) for their part introduce the notion of an 'institutional core' that is strengthened by additional layers of actors and rules, making it more difficult for changes that occur at the fringes to have a significant impact on the EU framework's trajectory.

The work of Boas (2007) provides an explanation of this latter situation of an institutional core that is strengthened by additional layers, but also makes a strong adaptation of Thelen's body of thought. Using the Internet as an example, Boas explains that institutions 'can be thought of as constituting a composite standard, with a whole series of simple standards as its component parts' (Boas, 2007, pp. 39-40). He refers to this as the 'composite-standard model'. In short, the composite standard results in increased returns for its users; especially when more and more users start using it. The core of the Internet is the TCP/IP protocol, the composite standard, from which a whole series of standards such as e-mail, HTTP, web browsing and P2P data-sharing has developed. These standards do not change the core when added, removed or changed. The standards need the core, not the other way round, although the more components there are, the more valuable the Internet becomes to its users – Boas refers to this as the 'thickness quotient' (Boas, 2007, p. 42). Boas refers to Thelen's work on layering to underpin his theory – simply by making references and using the same term – but strongly adapts it for his own use as his layering does not result in

changing the institutional core but in strengthening it and, furthermore, by making it increasingly difficult to change that core.

Criticism of contemporary use: A lack of Thelennes?

At first glance the authors of the above case studies could be criticized for inconsistent and sloppy use of the term. One could argue that the major weakness of the above discussed case studies is that their authors use the *term* layering, but not the *idea* of layering as presented by Thelen. Is this problematic? Well, not if the authors using the term were not referring to Thelen as their source of inspiration. After all, layering is not a registered trademark of Thelen. But referring to Thelen is exactly what they do. Furthermore, by doing so, one would expect that the mechanisms they describe are comparable – and therefore the findings they present could be compared to find whether, when, where and why layering results in institutional change. However, the processes studied in these three cases is not so much institutional *change*, but institutional *reproduction* – or even more, institutional *reinforcement*. One could then question: have these authors studied layering, or some other mechanism?

Although this critique might be valid, one could also argue that concepts and ideas, like institutions, change over time and that these authors have merely added to that process. Thelen deserves a good deal of credit for her theorizing about and shaping of the concept, her work may as well be understood as just another – albeit important – link in a longer tradition of theorizing about layering.

A tradition of studying layering¹

Although Schickler and Thelen are often regarded as ‘founders’ of the concept, layering was used to address institutional change in literature prior to these authors’ works. These potential antecedents are not established in Schickler’s and Thelen’s works. Following the development of the concept, we slowly see a move from, what I refer to as, ‘thickening’, via the ‘regulatory ratchet’, to the above ‘new arrangements on top of preexisting structures’.

Thickening: Adding actors

An early use of the concept comes from a 1944 paper by Belisle, and refers to the ongoing growth of operating agencies of government on different geographical levels (Belisle, 1944, p. 605). Over time this particular use of the concept remained more or less unchanged: adding layers to an existing hierarchy of government, for instance, federal-state-regional-municipal-neighborhood or supranational-national-provincial-local. Closely related, the term is used to refer to ‘layers of authority’ or ‘layers of power’ (e.g. Chamberlain, 1969; Herson, 1961). Contemporary literature on adding new players such as private sector actors or non-profit organizations to regulatory regimes is also in line with this literature. Issues referred to in this branch of literature often relate to unclearness of jurisdiction and blurring of responsibilities as a result of overlapping layers (e.g. Brenner, 1975), which reminds us of Thompson’s (1980) famous ‘problem of many hands’. This use of the concept could be summarized as the ‘thickening of government’ (Light, 1995), with a strong focus on adding actors to existing situations.

Regulatory ratchet: Adding instruments

An early use of the concept in a non-hierarchical context comes from a 1966 paper by Kreps on the 1929 crisis. Interestingly, Kreps uses the term in both a hierarchical and a non-hierarchical manner. In a hierarchical sense he explains that prior to 1929 banking markets 'are "layers" of national, regional and local banking competition' (Kreps, 1966, p. 667); in a non-hierarchical sense he explains that the collapse of the banking system between 1929 and 1932 resulted in the 'broadening and deepening of banking regulation (...) a much broader and *thicker layer* of banking regulation was (...) *superimposed on* the banking system to maintain sound future banking conditions' (Kreps, 1966, p. 651, emphasis added).

This specific use of the concept layering, the adding of instruments such as regulation, does not seem to catch on easily. Yet from the 1980s onward the concept is increasingly used to refer to situations of incremental change that are characterized by the addition of new regulations to what already exists. In research by Florida and Kenny (1992) on labor regulation, for instance, we read that the existing 'system of rules and classifications *has built up layer after layer* over a long period and is now extraordinarily complicated and confusing, even for those who work and manage within it' (Florida and Kenney 1992, p. 163, emphasis added). The literature on adding new rules and regulations on top of existing rules and regulations often describes this burdening effect. Bardach and Kagan, in their influential *Going by the Book* (1982), provide a number of examples and a suitable metaphor to summarize this use of the concept: 'the regulatory ratchet' (Bardach and Kagan, 1982, ch. 7), with a strong focus on adding instruments, such as rules and regulations to existing situations.

Early usage à la Thelen: Adding actors and instruments

The above themes show a somewhat narrow usage of the concept of layering. An early usage of the concept in a broad sense comes from a 1983 paper by Smith on the use of private organizations in US public service delivery. Smith moves beyond the mentioning of hierarchical layers, additional players or supplementary regulations to discuss a variety of administrative devices that were implemented to solve existing issues. Yet with the implementation of a new device new issues arose, that again begged for implementation of further new devices on top of the old:

As each new technique – the government enterprise of the 1930s, the not-for-profit institutions of the 1950s and 1960s, the off-budget spending tactics, the cooperative agreement to replace the grant, special revenue bonds for municipalities, and the like – has been added to the administrative repertoire, a new layer of complexity has been created. This complexity has finally resulted in such a *layering of new devices upon the old* as to threaten confusion and futility (Smith, 1983, pp. 163-4, emphasis added).

This broad usage of the concept, a combination of the 'thickening' and 'regulatory ratchet' theme (i.e. adding both *actors* and *instruments*), is, however, scarcely used in 1980s and 1990s literature (one of the few exemptions is Peck, 1998). This changed after Thelen's development of the concept (for an overview, see Anonymous, 2010).

Layering as bridging ideas on incremental change and punctuated equilibriums?

It is without question that 'layering' has provided many scholars with a useful concept to analyze incremental institutional change. Over the years however, the concept has taken on different meanings. This paper has explored the various uses of the concept – i.e. the adding of actors to existing institutions, the adding of instruments, and the adding of both actors and instruments. This rough categorization may guide future research on the topic.

The paper also showed the changing use of the term in contemporary literature. A question is: is this a problem? I would argue it is not. Although Thelen is often considered as one of the 'founders' of the concept of layering, she may better be considered as one of the prominent links in the ongoing development of the concept. As such the concept should not be 'frozen' where Thelen leaves it. Like the institutions studied, the concept is subject to ongoing change, which may add to our understanding of the mechanism under analysis. It is, however, the weak and inconsistent use of the concept in the three cases introduced that I consider questionable. Tapping into the broader context of the contemporary debate on institutional change we have a range of concepts and ideas at hand, as the second section of this brief paper showed. Why then choose a concept that needs so much reworking to make it fit the data analyzed and mechanisms traced? Doing so makes the analytical potential of layering lost.

The challenge of studying institutional change is not so much to show what has changed, but how, when and why this change occurred, and what this change really means (cf. Capano, 2009). Layering is a valuable tool in the institutionalists' toolbox as it provides a hands-on framework to analyze processes of change with a focus on explanatory variables – i.e. actors and or instruments added. It is exactly the focus on these explanatory variables that may overcome the dichotomies between incremental and swift change, and endogenous and exogenous causes of such change. As such layering seems to have the potential to bridge ideas on punctuated equilibriums and incremental change. It is here where I see the true value of the concept.

Endnotes

[1] The historical analysis presented in this section is based on a literature review of over 166 journal papers from the disciplines of economics, law, sociology, political science, public policy and public administration. I by no means claim this search is exhaustive. My search was limited by the number of articles I could trace in JSTOR archives.

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