
Article

Policy ideas, knowledge regimes and comparative political economy

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Abstract

Despite much attention to how ideas affect policy making, where these ideas come from is a blind spot in comparative political economy. We show that an important source of policy ideas are knowledge regimes—fields of policy research organizations. We show as well that the organization of knowledge regimes is heavily influenced by the organization of their surrounding political economies such that knowledge regimes have particular national characters. Furthermore, when people perceive that the utility of their knowledge regime for the rest of the political economy breaks down, they often try to restore it by transforming their knowledge regimes, albeit in ways that are still shaped by the surrounding political and economic institutions. The effectiveness of their efforts is not guaranteed. The argument is based on an analysis of the evolution of knowledge regimes since the 1970s in the USA, France and Germany. Theoretical implications are explored for two literatures in comparative political economy: ideational analysis and the varieties of capitalism.

Key words: political economy, varieties of capitalism, France, Germany, USA

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1. Introduction

Scholars have long recognized that the pursuit of material interests influences economic policy making. More recently, however, researchers have shown that economic policy making is also affected by policy analysis, economic theories and other sorts of ideas. Put differently, what people believe may be just as important as what they want (Vanberg and Buchanan, 1989, p. 51).¹ We accept this. However, those who have shown that ideas like these are important

1 Strictly speaking, the common distinction between ‘interests’ and ‘ideas’ is misguided in the sense that people’s perceptions of their interests constitute a particular type of idea (Campbell, 2004, p. 91).

have paid remarkably little attention to the organizational and institutional machinery by which they are produced in the first place, how this machinery connects to the rest of the political economy and how this varies across countries and over time (e.g. Hall, 1993; Block, 1996; Katzenstein, 1996; Schmidt, 2001, 2002; Blyth, 2002, 2013; Fourcade-Gourinchas and Babb, 2002; Béland and Cox, 2011). This is an important blind spot in the burgeoning literature on ideas and comparative political economy.

To help rectify the situation and identify new areas for research, we offer an analysis of how policy research organizations (e.g. government research units, think tanks) that produce policy ideas are organized, operate and have changed during the past 30 years or so in the USA, France and Germany. Our focus is on economic policy ideas. In each country these organizations and the institutions that govern them constitute a knowledge regime. In sociological parlance a knowledge regime is an organizational field (Fligstein and McAdam, 2012). Organizational actors in knowledge regimes assume that policy makers need the information produced by knowledge regimes to make sense of the policy problems they confront, especially during periods of crisis because problems are unfamiliar and conventional policy prescriptions may no longer work (Hay, 2001; Blyth, 2002, 2011). During periods of crisis, sense making may involve changing knowledge regimes. This is what happened in our three knowledge regimes beginning in the early 1980s as countries grappled with the demise of the Golden Age of post-war twentieth-century capitalism, including the problems of stagflation and globalization.

We explain this and in doing so show that how knowledge regimes are organized and operate is influenced by the organization of their surrounding political economy so that each knowledge regime is nationally specific. As such, this article bridges two important literatures in comparative political economy that rarely speak to each other. One is the literature on ideational analysis, which maintains that ideas matter for policy making (Campbell, 2002; Schmidt, 2008). The other is the literature on the varieties of capitalism, which shows that political and economic institutions affect policy making and economic performance (e.g. Hall and Soskice, 2001a). Our hope is that connecting these literatures with an analysis of knowledge regimes will open up new and fertile territory for research in these two important areas of scholarship.

We begin by reviewing the neglect of knowledge regimes in the literature on ideas and comparative political economy. Next we discuss our methodology and use of interview data. Then we turn to the three cases, each representing a different form of knowledge regime: the US knowledge regime is highly competitive; France's is statist; Germany's is coordinated.² We explain how when confronted with the end of the Golden Age people changed their knowledge regime when they perceived that it had become dysfunctional in the sense that they suspected that it no longer produced ideas that helped them make sense of their policy problems and therefore no longer facilitated healthy political-economic performance. In the USA, where porous state institutions, private money and lobbying play huge roles in politics this involved an increase in privately funded, partisan, and aggressive research organizations. In France, where the state dominates much political-economic activity, this involved cultivating new ideas outside the state—but largely as a result of the state's own initiatives. In Germany,

2 We refrain from calling these 'ideal types.' Especially outside the Anglo-Saxon world little is yet known about knowledge regimes, which makes it difficult to identify general types as opposed to describing particular cases (but see Campbell and Pedersen, 2011).

where corporatist institutions are central to policy analysis and advising these processes became more sophisticated analytically and began to be more competitive even as they retained their basic coordinated structure. We conclude with a discussion of the theoretical implications of all this for comparative political economy and especially for the varieties of capitalism school and its concept of institutional complementarity—the notion that two institutions complement each other when the effect of one elevates the performance of the other. To anticipate that discussion, keep in mind that the people we interviewed told us in effect that as the Golden Age came to an end, the complementary relationship that their knowledge regime had once had with the rest of their political economy broke down and needed to be restored.

Let us be clear about what we do not do in this article. First, we do not explore whether people's efforts to change their knowledge regime actually influenced policy making or its outcomes. We are concerned simply with how ideas are produced and disseminated that are intended to influence policy makers even if those intentions are not necessarily fulfilled. Second, although we are concerned with change, we do not provide a history of the development of knowledge regimes prior to the 1970s. This is beyond the scope of this article. As such, we take as given the very different character of each knowledge regime prior to the end of the Golden Age in the 1970s as described to us in the interviews and secondary literature.

2. Knowledge regimes and comparative political economy

Comparative political economy developed in two waves. The first was about policy-making regimes, which were scrutinized closely in the 1980s and 1990s and showed that policy making varied across countries due to the organization and governance of states, political parties and other political institutions (e.g. [Evans *et al.*, 1985](#)). The second wave developed in the late 1990s and 2000s and involved the analysis of production regimes. Notably the varieties of capitalism school emphasized how not just states but also the organization of the economy through markets and other market-related institutions governed economic activity in ways that varied across countries and affected how well national economies adjusted to economic challenges and crises, particularly insofar as these institutions complemented each other in ways that created synergies that improved political-economic performance ([Hall and Soskice, 2001a](#)).

Comparative political economists now often characterize national political economies in terms of combinations of different types of policy-making and production regimes (e.g. [Kenworthy, 2006](#); [Hancké *et al.*, 2007](#)). Their work has provided countless insights into how advanced political economies operate. But they err in ignoring the important role that knowledge regimes play in all of this. After all, as others have shown, policy makers use the ideas emanating from knowledge regimes to formulate and implement the public policies that affect how production regimes are organized and operate and, in turn, how successful they are (e.g. [Blyth, 2002, 2013](#)).

It is surprising that such a blind spot for knowledge regimes exists because a rich literature in ideational analysis has emerged about how ideas matter for policy making (e.g. [Campbell, 2002](#); [Schmidt, 2008](#)). Several studies explore the conditions under which ideas influence policy agendas and decision making (e.g. [Kingdon, 1995](#); [Katzenstein, 1996](#); [Berman, 1998](#); [Blyth, 2002](#)). Others address the methodologies by which this can best be investigated ([Béland and Cox, 2011](#), part 1). However, this work largely ignores where these ideas come from in the first place and how knowledge regimes are important in that regard.

There is also much excellent work that suggests that economic ideas conform to and influence the broader political economy in nationally specific ways. For instance, some scholars studied why Keynesianism and monetarism emerged and were adopted in different times and different ways across the advanced capitalist countries (e.g. Hall, 1989, 1993; Hay, 2001; Blyth, 2002). Others examined how neoliberalism diffused across less developed countries with nationally specific results (e.g. Dezalay and Garth, 2002; Fourcade-Gourinchas and Babb, 2002). In both cases, to explain how this happened researchers focused on the activities of strategically placed politicians and technocrats in a few state agencies, such as central banks and finance ministries. They paid little if any attention to the much broader field of policy research organizations inside and outside the state—that is, knowledge regimes—that helped generate, modify and otherwise shape these ideas in nationally specific ways. Much work on the international diffusion of neoliberalism, for instance, dwells on the efforts of US political and financial interests pushing the so-called Washington Consensus but neglects how national think tanks and other policy research organizations figure into the story (e.g. Fourcade-Gourinchas and Babb, 2002; Harvey, 2005). Similarly, some scholars explored how in nationally specific ways policy makers framed policy ideas to make them palatable to the public (e.g. Schmidt, 2001, 2002). Again, the role of knowledge regimes was largely ignored—an important omission insofar as it is not just politicians and their handlers but often organizations within knowledge regimes that create these frames in the first place and modify them if they are not effective.

Beyond that, a few researchers have written about private think tanks. However, few if any discussed these organizations in connection with other types of policy research organizations, such as those associated with either the state or political parties (e.g. Rich, 2004; Medvetz, 2012). With the exception of a few edited volumes (e.g. Stone *et al.*, 1998; Stone and Denham, 2004), their work lacked cross-national comparisons and focused largely on the USA and Britain. Finally, some studies have shown how the economics profession developed and influenced public policy in different countries. They, too, pay less attention than we would like to our principal concerns—how policy research organizations as opposed to the economics profession *per se* operate (e.g. Fourcade-Gourinchas and Babb, 2002; Fourcade, 2009).

In short, although all these literatures are insightful they shed less light than one might hope on how policy ideas are produced. What is missing is (1) an examination of the entire field of policy research organizations—not just pieces of it, such as private think tanks; (2) a comparison of knowledge regimes cross-nationally, particularly to see how their structure and operation is affected by the surrounding political-economic environment; and (3) an investigation of how knowledge regimes changed over time due to changes in their environment. One reason this is important is that the nature of the policy ideas available to policy makers and from which they pick and choose may vary depending on the nature of the knowledge regime that produces them (e.g. Campbell and Pedersen, 2011; Rasmussen, 2014). We cannot investigate that here. But the point is that opening up the study of knowledge regimes may eventually yield significant benefits beyond the insights of this article.

3. Research design and data

We examine the USA, France and Germany because these are good examples of liberal, statist and corporatist types of advanced capitalist countries, respectively, each with very different types of policy-making and production regimes (e.g. Crouch and Streeck, 1997; Schmidt,

2002). Within these countries we focus primarily on four types of non-profit policy research organizations identified elsewhere as the most common in advanced capitalist democracies (e.g. Rich, 2004; Stone, 2004). First are private academic-style scholarly research organizations staffed with scholars, professional researchers and analysts. They produce expert research monographs and journal articles much like those found in academia and tend to be politically non-partisan. Second are advocacy research organizations. They are more politically and ideologically partisan. They are less concerned with conducting scholarly research than with consuming, packaging and aggressively disseminating the research and theories of others to influence public policy making.³ Third are party research organizations. These are closely associated with political parties and provide a source of expert advice and analysis for party leaders. Fourth are state research organizations directly affiliated with specific government departments and ministries.

For each country we drew a sample of each of these four types of policy research organizations. First, we solicited the advice of knowledgeable experts in these countries, whom we asked by means of a brief email questionnaire to identify the most important policy research organizations of each type in their country. Second, we consulted a well-known ranking of the most important think tanks around the world, which is based on an international survey of hundreds of think tank directors and scholars familiar with these organizations (*Survey of Think Tanks*, 2007). Each time an organization was mentioned by an expert it received one point. Each organization listed in the international ranking received an additional point. We ranked organizations according to how many points they received. Third, we also made sure that none of the important organizations mentioned in the secondary literature were omitted from the sample. Given our sampling protocol, we are confident that the organizations we visited are among the most important of each type in each country.

We began by contacting the four organizations with the most points of each type in each country to arrange interviews with top-level administrators, often presidents or executive directors, and occasionally senior researchers. If an organization declined our request or did not respond after several overtures, we moved to the next one on our list. We received positive responses from 85% of the organizations we contacted. In the field we added additional organizations on the recommendations of people we interviewed. We interviewed 80 people in 56 organizations between April 2008 and August 2009. We followed a semi-structured open-ended interview protocol that we developed and pre-tested. Interviews averaged 90 min, and were recorded, transcribed (roughly 2400 single spaced pages) and coded with a high level of inter-coder reliability using Atlas.ti computer software that enabled us to quickly aggregate portions of texts referring to specific topics and identify trends and patterns in the data.⁴ If they were available we also collected annual reports from each organization for 1987, 1997 and 2007 or years as close to this as possible. We explored each organization's website, too. Our analysis is based on data gathered from these sources but especially the interviews because we were exploring largely uncharted territory. Following accepted practice, we provide quotations and paraphrasing to illustrate the general patterns and trends as revealed in the interviews (e.g. Rubin and Rubin, 2005). Wherever we paraphrase interviews we footnote who

3 We are not concerned with lobbying organizations because they represent the narrow interests of particular paying clients rather than the broader policy ideas of interest here.

4 See Campbell *et al.* (2013) for details on how this was done, including examples of the codes and sub-codes involved.

the respondent was. Similarly, the examples provided throughout the article were selected to illustrate patterns and trends we identified in the data.

We took steps to avoid problems of bias in our analysis. As noted, we used a three-pronged sampling strategy to guard against sampling bias. We also made sure that our interview coding procedure yielded a high rate of inter-coder reliability. Furthermore, to ensure case study validity, once we had written up each case study, we sent it to many of the people we had interviewed for it. We asked them whether we had accurately represented their statements and national case. All respondents agreed that we had. We received very few suggestions for changes, which were all very minor, and we incorporated them into the analysis. Finally, wherever possible we checked our descriptions against whatever relevant secondary literature we could find. We are confident in our results.

Several clarifications are necessary. To begin with, as our research progressed and the shifting topography of our knowledge regimes became clear, it was apparent from the interviews that universities were not important originators of policy ideas in this world. The one partial exception was in Germany, where some prominent economic research institutes had formal affiliations with universities, were run by economists who sometimes held positions in the university economics department and who even occasionally mentored PhD students as interns. ZEW, for instance, had this sort of relationship with the University of Mannheim. However, even there it was ZEW, not the university economics department, that produced the policy analysis, policy briefs and related materials intended for policy makers. To be sure, university-trained economists are often hired to staff and sometimes run the policy research organizations with which we are concerned. However, much university research is 'basic' rather than 'applied' and of little use, we were told, to policy makers or policy research organizations. Indeed, during our interviews several people referred with disdain to university researchers and their work as being too theoretical, abstract and esoteric for their purposes or the purposes of policy makers.⁵ This suggests more broadly that the organizational composition of a knowledge regime is nationally specific and may vary considerably across countries depending on the countries in question. Universities may be more important members of knowledge regimes in countries other than those we consider in this article.

Similarly, we did not find that the economics profession per se was a key organizational actor in the knowledge regimes apart from providing skilled staff and managers for policy research organizations. Although there are certainly expert economists in some top bureaucratic positions in government their responsibilities for doing research and analysis are delegated to their staff in various policy research agencies, such as the councils of economic advisors, budget offices and other organizations that we do include in our sample.

Finally, it is true that independent experts and intellectuals occasionally produce influential policy ideas. However, as with economists as a profession, we are less concerned with these individuals than the organizations in which they tend to work. Indeed, other research finds that the influential individuals in a number of policy-making episodes were not free-floating intellectuals but those anchored in precisely the sort of policy research organizations we have in mind (Weidenbaum, 2009; Medvetz, 2012). Overall, then, our concept of knowledge regime is about fields of policy research organizations, not the prominent individuals working in them.

5 Lawrence Mishel, EPI; Joel Darmstadter, RFF; Philippe Manière, Institute Montaigne. See also Medvetz (2012).

4. Knowledge regimes and change

The Golden Age, which spanned the late 1950s through the early 1970s, was a period of general economic prosperity in much of the advanced capitalist world marked by healthy productivity growth, nearly full employment, low inflation and balanced government budgets. However, the Golden Age began to teeter in the mid-1970s. For a variety of reasons productivity growth deteriorated, unemployment and inflation escalated and governments ran larger budget deficits than many preferred. Since then, economic globalization and in Europe the advancement of the single market project made life even more difficult as countries struggled to assert and maintain their competitive economic advantages (Eichengreen, 2008). This was certainly true for our three countries. In turn, people began to believe that their knowledge regimes were not providing ideas useful for resolving these problems. They tried to improve them accordingly, albeit in nationally specific ways.

4.1 US competition

The USA is typically characterized as a liberal market economy with an institutionally porous and pluralist state rooted in a two-party, winner-take-all electoral system that facilitates divisive politics and lobbying by private interests to an extent unheard of in France and Germany. It is also a political system prone to enormous infusions of private money from a wide array of decentralized, independent interests, such as corporations, unions, wealthy foundations and wealthy individuals (Domhoff, 2010; Hacker and Pierson, 2010). The presence of so much decentralized, independent and expensive lobbying and influence peddling is due to the fact that the USA lacks the sort of corporatist, centralized interest intermediation often found in European countries (Salisbury, 1979).

America's knowledge regime has long been influenced by these institutions. Thanks to the availability of private money by the late 1970s the US. knowledge regime consisted of several scholarly privately funded policy research organizations including notably the Brookings Institution, the Urban Institute, and the American Enterprise Institute (AEI) (Smith, 1991; Ricci, 1993). Thanks to the decentralized state apparatus, it also involved a number of state policy research organizations, such as the Congressional Budget Office, the General Accounting Office and the Council of Economic Advisers (CEA) (Bimber, 1996; Rich, 2004). All competed for the attention of policy makers. But as stagflation gripped the country, people looked for new ideas to make sense of this unprecedented situation and established new policy research organizations to do so. In other words, as we shall explain, people perceived that the knowledge regime had become dysfunctional for the political economy so they moved to fix it (Ricci, 1993; Rich, 2004). Most of this involved the proliferation of an increasingly competitive and contentious set of private advocacy research organizations, which led to an escalating war of ideas. This was part of what several people described to us as an increasing crisis of partisanship marked by a continuing escalation in ideological rancor and divisiveness in Washington.

It began with perceptions among conservatives that liberal Keynesians controlled the government and were unable to make sense of and handle stagflation and other problems. As a result, conservatives in the 1970s began to build a number of advocacy research organizations starting with the Heritage Foundation, which not only did research (or commissioned it from outsiders) but devised increasingly aggressive means to use it to influence policy makers in

ways similar to what some lobbyists did (Rich, 2004).⁶ Wealthy benefactors, like Joseph Coors, supported these efforts. Some organizations like AEI refused to take money for doing work whose conclusions were ideologically pre-ordained, which is what some patrons wanted, but others like the Heritage Foundation were less reluctant.⁷ Indeed, Heritage was, ‘created as an institution designed to promote the general objectives of American conservatism—so it has a philosophy, unlike say Brookings or Urban.’⁸ Others on the right followed suit, such as the Cato Institute and the National Center for Policy Analysis (Medvetz, 2012).

Liberals eventually countered by establishing their own organizations, such as the Economic Policy Institute with support from labor unions, and the Progressive Policy Institute (PPI) with help from the Democratic Leadership Council.⁹ Their efforts escalated after the 1994 mid-term elections, when the Republicans seized control of the House of Representatives for the first time in 40 years, and again after the 2000 election, when George W. Bush won the White House and the Democrats no longer controlled either the House or Senate. In response Democrats saw the need for new organizations to generate and disseminate new and different policy ideas. The Center for American Progress, in particular, was created in 2003 by Bill Clinton’s former Chief of Staff John Podesta, and others as a result of this political situation because progressives on the left wanted better messaging techniques to get their ideas to policy makers and the public to push back against the Republicans.¹⁰

Initially, most of the money supporting the proliferation of advocacy organizations came from conservative families and foundations, but with the dot-com boom in the 1990s liberal money from Silicon Valley and other places became available, too.¹¹ As one respondent put it, ‘The stock market boom of the late ’90s filled the endowments of foundations and just—you know there became a multiplicity of players out there.’¹² Of course, this was an extension of the long-standing practice in American politics of mobilizing private money to push ideas on policy makers much as lobbyists do.

Several of these new organizations contributed to an increasingly nasty and partisan war of ideas in Washington. Eventually, partisanship in national politics escalated to an unprecedented level in the late 1990s and early 2000s as indicated, for example, by the growing ideological distance between parties in Congress and between those with strong party identifications in the electorate (e.g. McCarty *et al.*, 2006). Almost everyone we spoke with in Washington said that political partisanship had become increasingly acrimonious over the past 20 years. As a result, it became very difficult for Republicans and Democrats to agree on much of anything. One former congressional staffer explained that ‘Washington has become so partisan in everything. I mean, I was on the Hill for six years in the early ’80s, and it was a Democratic

6 Think tanks are limited by law in how much lobbying they can do but still do as much as they think they can legally get away with (Brandon Arnold, Cato; senior official, Hudson institute). Unlike lobbyists, think tanks cannot ask a politician to vote one way or another on legislation.

7 Karlyn Bowman, AEI.

8 Stuart Butler, Heritage Foundation.

9 Rudolph Penner, Urban Institute; senior official, PPI. See also Medvetz (2012).

10 Senior official, PPI; Sarah Rosen Wartell, CAP.

11 Senior official, PPI. See also Bai (2007).

12 Lawrence Mishel, EPI.

Congress. It was while Reagan was president, and it was a pretty partisan time, but nothing like now.¹³

Proliferation and the subsequent crisis of partisanship in Washington politics paradoxically led to increased cooperation among a small handful of these policy research organizations.¹⁴ We were told that there were two reasons for this. The first was that they began to experience credibility problems. Some policy research organizations began to worry that fewer and fewer people took them seriously and were willing to acknowledge that they were operating objectively in a non-partisan fashion. A senior official at the Center on Budget and Policy Priorities put it well: ‘Starting in the ’80s, accelerating in the ’90s, you have an increasing number of people in Washington who see the world as “you’re with us or you’re against us”. . . They don’t believe that somebody can analyze these issues without being tainted by whatever beliefs they have. . . [They] believe you’ll cook the numbers.’ Another senior official at CBPP concurred, saying, ‘If you care about not just research, but policy and policy decisions, and the direction of our country, it’s just very hard to enter into that debate in a way without somebody saying that you are partisan.’

But the crisis of partisanship created a second problem, too. Politicians were either unable or unwilling to tackle the nation’s most serious policy problems, notably growth of the huge middle-class entitlement programs, Social Security and Medicare, and the federal government’s mounting fiscal deficits and debt. Several people told us that today’s highly polarized political atmosphere meant that more and more politicians believed that they were better off just opposing everything the other side wanted rather than striving for compromise as they might have done 20 years ago. This made it harder to deal with big problems whose solutions could only be achieved if Democrats and Republicans worked together.¹⁵ Thus, political gridlock stemming from a crisis of partisanship stymied solutions to these looming entitlement and fiscal problems.

As a result a few private policy research organizations on both sides of the political spectrum began to work together for the common good of both the knowledge regime and the country. Echoing what most of our respondents said, the president of one think tank remarked, ‘There’s more left-right cooperation than I’ve ever seen before.’¹⁶ For instance, Brookings and AEI ran a Joint Center for Regulatory Studies from 1998 to 2008. Urban and Brookings established a Tax Policy Center in 2002 with tax experts that had served in both Republican and Democratic administrations. In 2007 a group of Democratic and Republican legislators, worried about excessive and escalating partisanship in Washington, established the Bipartisan Policy Center—a think tank seeking bipartisan solutions to economic and other national problems.¹⁷

Another example of cooperation was the Fiscal Wake-Up Tour, organized by people from Brookings, Heritage, AEI, PPI and the Concord Coalition, a policy research organization specializing in budget issues. The idea was to alert state and local policy makers, civic leaders, the

13 Senior official, CBPP.

14 Medvetz (2012) briefly mentions cooperation but without linking it to the crisis of partisanship.

15 Senior official, CBPP; Stuart Butler, Heritage Foundation; Isabel Sawhill, Brookings Institution; Rudolph Penner, Urban Institute. See Rich (2004) for further discussion of declining think tank credibility.

16 John Goodman, NCPA.

17 See <http://bipartisanpolicy.org> (accessed May 2012).

media and others to the magnitude of the country's fiscal problems.¹⁸ Stuart Butler, one of the founders of the Fiscal Tour, told us that the motivations were to influence the policy-making agenda in a bipartisan fashion, overcome some of the credibility problems that had been plaguing their organizations and address the big problems that politicians had been too scared to touch. This is one reason, he said, they convinced David Walker, then head of the Government Accountability Office, to participate. The logic was that if two of the largest policy research organizations on the left and right—Brookings and Heritage—came together with the blessing of the government's top accountant, then people would sit up and take notice. According to Butler, they all agreed on the problems but agreed to disagree on the solutions.

To be sure, these cooperative moves were not central to the knowledge regime but rather on the margins and often due to the ad hoc efforts of a few individuals with common concerns. This was by no means a groundswell movement throughout the knowledge regime. Indeed, some of the people we spoke with lamented that there was still not nearly enough cooperation.¹⁹

Of course, the other part of the US knowledge regime involved the state. The state became interested in facilitating more cooperation among a few of its own policy research organizations. In 1993 the Clinton administration created the National Economic Council. It was designed to better coordinate the activities of various economic policy research organizations in the executive branch, notably CEA, the Office of Management and Budget and the Treasury. The idea was to put economic policy making at the forefront of federal policy making to better respond to the nation's economic problems—specifically job creation and deficit reduction. Clinton called this the single most significant organizational innovation that his administration made in the White House (Wartell, 2008). Nevertheless, given the institutionally decentralized structure of the state apparatus, most policy research remained scattered across many independent agencies without such an umbrella.

To summarize, as problems associated with the end of the Golden Age developed, policy research organizations, their benefactors and some political operatives sensed twice that their knowledge regime had become dysfunctional vis-à-vis the rest of the political economy and tried twice to fix it. Initially they ramped up more aggressive private advocacy research organizations. When some of them began to realize that this had not helped policy makers handle the nation's economic problems and had created credibility problems for themselves, they began to engage in a few cooperative activities. Surrounding political and economic institutions influenced how this happened. First, the fact that all of this occurred in a decentralized, ad hoc and privately financed manner makes sense. After all, the absence of corporatism or other centralized forms of interest representation means that individual private interests operate on their own in trying to influence policy makers—in this case by funding whatever policy research organizations and activities they liked. Second, the presence of a decentralized and porous state apparatus means that an important channel of influence is for private interests or their hired hands to aggressively approach and try to sway policy makers. In the knowledge regime it was advocacy research organizations rather than lobbyists that did so. Pluralist competition in the knowledge regime made sense given the pluralist nature of the political institutions in place.

18 Isabel Sawhill, Brookings Institution; senior official, PPI.

19 Senior official, PPI; senior official, CBPP.

4.2 French statism

France is typically described as a statist political economy with a highly centralized and insulated state apparatus that has historically wielded considerable power over the economy (Zysman, 1983; Boyer, 1997). Not surprisingly, then, thanks to France's strong statist traditions the French knowledge regime was dominated almost exclusively during the 1970s and 1980s by state research organizations, such as the National Institutes for Statistics and Economic Studies (INSEE) and the National Council for Statistical Information (CNIS), that had played key roles during the Golden Age of centralized indicative planning (Desmoulins, 2000; Fourcade, 2009, p. 217). However, the political-economic problems born during this period precipitated what some people we interviewed described as a crisis of ideas within the state—the realization that this statist knowledge regime was too insulated, suffered a dearth of new thinking and therefore was unable to make sense of the nation's economic problems. According to one respondent, there was 'a sense that government has had a bad influence on the generation of new ideas and the possibility of reform.'²⁰ According to our interviews, the crisis of ideas began in the wake of the May 1968 protests, which raised serious questions about how the state was handling the economy. It accelerated thereafter, especially once stagflation hit and the economy was exposed increasingly to international competition. Keynesianism seemed incapable of making sense of France's economic malaise. To cope with the crisis of ideas, political elites sought policy analysis and recommendations from new semi-public and party policy research organizations as well as new ministerial research units.²¹

Many people told us that since the early 1970s, one of the biggest changes in the French knowledge regime was the appearance of new policy research organizations in civil society. State officials and others worried that the state had become cut off from useful ideas and information from civil society. Put differently, France had become too statist insofar as its knowledge regime was concerned! So they began to encourage the development of new organizations in civil society that could provide the state with the information it had been missing. This was part of a more general strategy by French officials to reduce central state regulatory control over the economy and encourage more organizations in civil society to assume some of this responsibility (Levy, 1999).

In the late 1970s Prime Minister Raymond Barre began creating new semi-public scholarly research organizations, such as Epicode (now Coe-Rexecode) and the Institute for Economic and Social Research (IRES), to solicit input from business and labor, respectively. Semi-public organizations are funded by the state at least in part but operate independently from it. Sensing that globalization was afoot, he also established the Center for International Prospective Studies (CEPII) to help policy makers better understand the effects of the oil crisis and economic globalization.²² He also set up the Center for Economic Research (OFCE) to stimulate public debate and produce independent economic forecasts to compete with those from INSEE.²³ This was what the director of the Center for Strategic Analysis (CAS) described to us as the 'externalization' of analytic capacities from the state to semi-public organizations.

20 Senior official, Enterprise and Progress.

21 Michel Rousseau, Foundation Concorde; Frédéric Allemand, Foundation for Political Innovation.

22 Senior official, CEPII.

23 Senior official, Coe-Rexecode; Xavier Timbeau, OFCE; research fellow and Frédéric Allemand, Foundation for Political Innovation; senior official, CEPII.

Prime Minister Lionel Jospin decided in 1997 to expand the externalization initiative in a second direction by financing five political foundations, each associated with a major political party, and urging them to establish think tanks. Two foundations already existed, but three new ones were established and all five set up think tanks in response to Jospin's initiative.²⁴ According to Frédéric Allemand from the Foundation for Political Innovation, 'The initial aim was to give new ideas to the political parties.'

The state's efforts to promote new ideas were not restricted to civil society during this period. In keeping with its statist tradition it also created new research organizations of its own. First, Jospin established in 1997 the Council of Economic Analysis (CAE) because he felt the need for advice from independent professional economists. The problem was that most top policy makers, advisors and civil servants did not receive extensive training in economics. As the president of the CAE explained, 'We are a country of lawyers rather than a country of economists.' Second, the prime minister's office set up number a of *conseils* to bring experts and academics together with representatives from the state, business and unions to generate new and hopefully consensus-based policy ideas. Especially important in this regard were the Retirement Advisory Council (COR) established in 2000 and the Employment Advisory Council (COE) established in 2005.²⁵ Third, some new policy research organizations were created in ministries beyond the prime minister's office. As policy makers became more interested in using data analysis and statistics to help guide policy making, the ministries began to develop their own specialized data collection and analytic capacities. In 1993, for instance, the Labor Ministry set up the Department for Coordination of Research, Studies and Statistics (DARES) to provide the ministry with analytic expertise in its policy niche and coordinate ministerial work.²⁶

The point is that given an increasingly complex global economy, policy makers recognized that they needed the expertise of new organizations in civil society as well as inside the state.²⁷ According to one senior ministerial official, 'We have moved also from a universe 40 years ago, 50 years ago . . . the economy was more closed. There were clear goals after the war, and that was easier. We've moved to a universe, I think, which is slightly more complicated, and where it's difficult for a single body . . . to have expertise on everybody and to have the legitimacy to act as a central player.'²⁸ Similarly, when we asked a senior official at CEPII whether civil servants had become more open to ideas from her organization and others outside the state, she quickly agreed that they had because France's economic problems had become more complex and 'there are more international issues to tackle.'

Political elites were not the only ones trying to promote the cultivation of new ideas. A few private actors did, too. Extending an old French political institution—the political club (Desmoulin, 2000)—people from the business community established clubs of their colleagues designed in part to generate new ideas for policy makers. These included Enterprise and Progress, the Institute for Enterprise and Croissance Plus. A few people also started advocacy

24 Gilles Finchelstein, Foundation Jean Jaurès. See Desmoulin (2000) and Fieschi and Gaffney (2004) for further discussion of the party foundations.

25 See <http://www.cor-retraites.fr/article62.html> and http://www.coe.gouv.fr/Presentation.html?id_article=491. Accessed July 2012.

26 Senior official, DARES.

27 Senior official, CEPII; Xavier Timbeau, OFCE.

28 Senior official, DGTPE.

think tanks, such as Institute Montaigne, to facilitate public debate in France, which, according to Montaigne's founder, was 'too often monopolized by political parties and administration, leaving aside the civil society.'²⁹ However, doing so was often prohibitively difficult due to the surrounding institutional environment. The head of one such organization explained that it had taken him many discouraging years to get started. First, unlike the USA, the French tax code did not offer generous deductions to those contributing to such an organization, which made it very difficult to raise financing. Second, receiving official permission to establish an advocacy organization was a long drawn-out process thanks to French state bureaucrats not wanting to allow organizations in civil society that might question the state's technocratic wisdom.³⁰ As a result, this part of the knowledge regime still consists of only a very few small organizations—nothing like the proliferation of private policy research organizations in the USA (Fieschi and Gaffney, 2004).³¹

This was not the end of the knowledge regime's transformation. Everything we have described so far resulted in a more fragmented knowledge regime with new organizations operating more or less in their own isolated niches.³² Indeed, our interviews emphasized isolation within an emergent division of labor more than competition. The state started a modest recentralization process to better coordinate their activities—a partial return to French statism.

First, the state increased its coordination of policy research by recentralizing some of its ministerial research capacities. For example, the prime minister's office created the General Directorate of the Treasury and Economic Policy Direction (DGTPE) in 2004 by merging three other ministerial research units. The idea was to reduce the duplication of efforts by its three predecessors and improve the analytic capacity of the Treasury by putting macroeconomic expertise together with work being done elsewhere on various subjects of concern to the ministries—particularly issues of European and international affairs.³³ Second, as new ministerial research units were created, INSEE and CNIS began to coordinate the activities of these units.³⁴ Finally, the prime minister established the Center for Strategic Analysis (CAS) to help coordinate groups of researchers from the ministries, conseils and sometimes semi-public scholarly research organizations that were working on the same topic, such as retirement systems or labor market reforms. The director offered us an example where CAS was coordinating several working groups composed of hundreds of experts from various organizations to develop economic, demographic and other forecasts for the government. He explained that the final report would represent a 'recentralization of all this expertise which is disseminated today' across many organizations. In his view CAS's mission was to gather information from a wide range of sources in order to 'build new bridges' among scattered organizations.

Overall then, like the USA the French effort to restore the knowledge regime's utility for the rest of the political economy involved two phases. One was the externalization phase (plus the creation of additional state research organizations), which was a direct extension of a more

29 See <http://www.institutmontaigne.org/> (accessed July 2011).

30 Bernard Zimmern, IFRAP.

31 Philippe Manière, Institute Montaigne; senior official, Enterprise and Progress; François Massardier, Croissance Plus; Bernard Zimmern, IFRAP.

32 René Sève, CAS.

33 Senior official, DGTPE.

34 Senior official, DARES.

general strategy to transform the state by shifting some of its functions to semi-public organizations. The other was a partial recentralization phase. But in contrast to the USA, where private actors launched most changes in the knowledge regime, in France with its long-standing institutional legacy of strong central state control, it was the state that did so, including providing much of the funding for the externalization strategy. The institutional legacy of French political clubs was also evident in the creation of a few privately funded policy-oriented business clubs on the margins of the knowledge regime. Finally, institutional legacies mattered in inhibiting the establishment of US-style private advocacy organizations, which was constrained by the French tax code and civil service. In short, the evolution of the French knowledge regime was shaped to considerable extent by the surrounding political-economic institutions.

4.3 German coordination

Germany is well known for two things. First are its corporatist institutions marked by bargaining among state agencies and well-organized business and labor associations to achieve consensus on various issues. The state plays an important coordinating role in managing this, and in doing so off-loads some responsibilities to civil society organizations and confers special status on them for assuming these duties. Second is its decentralized federalist state apparatus (Offe, 1981; Streeck, 1997). The German knowledge regime was shaped by these institutional traditions insofar as the state off-loaded many important policy analysis functions to a number of semi-public scholarly research institutes (Day, 2000; Thunert, 2000). Many of the key policy research organizations, such as the Council of Economic Experts, which advises the chancellor, have representation in them from both business and labor. So does the Joint Economic Report group, discussed later. This knowledge regime is also more decentralized than the rest due to Germany's federalist political structure in which the state-level Länder governments set up and fund many of the policy research organizations (Baml, 2004). Much of this has been in place for a long time. But the end of the Golden Age created serious economic challenges for Germany and a crisis of corporatism where, as we shall see, some government officials and business leaders began to suspect that traditional corporatist institutions were inhibiting effective responses to these challenges. As a result since the 1980s Germany began moving toward a somewhat more pluralist and competitive political economy (Streeck, 2009; Palier and Thelen, 2010). This was evident in the knowledge regime too where steps were taken to address some of these challenges by improving the knowledge regime's utility vis-à-vis the rest of the political economy. Steps were also taken through certain coordination mechanisms to improve the quality of policy analysis in the first place.

To begin with, the state opened up membership in its Joint Economic Report group to more competitive bidding. Since the 1950s the Ministry of Economics and Technology has commissioned four or five scholarly semi-public policy research organizations to collectively write bi-annual reports including a number of economic forecasts and policy recommendations (Thunert, 2004; Atkins, 2006).³⁵ The ministry uses it to verify its own forecasts and help make sense of the economic situation. Each member of the group generates its own forecast. Then they meet to resolve their differences and reach a compromise as mandated by the ministry.³⁶ In 2007, Chancellor Gerhard Schröder's office initiated more open and

35 Wolfgang Franz, ZEW.

36 Klaus Zimmermann, DIW.

competitive bidding for group membership—including bids from teams of research organizations with foreign members—because it was dissatisfied with the policy advice it was getting from the research institutes under the old system. There was concern in the German government and elsewhere that the Joint Economic Report group had become an exclusive cabal of like-minded institutes; that the traditional way of off-loading analytic functions in corporatist fashion from the state to the same old organizations needed modification; that it would be good to introduce new perspectives into the group. The idea was ‘to have fresh air in the group . . . [and] bring some new outsiders in.’³⁷ This made sense given the increasingly volatile and difficult economic environment that dogged Germany after the Golden Age and the need for new ideas to help cope with it.

In addition to opening up bidding for the Joint Economic Report group, the ministries began to solicit competitive bids for policy research grants and contracts. Whereas 20 years ago a single research institute might have approached a ministry with an idea for a project nowadays the ministry solicits bids and receives several to choose from as it seeks policy research and advice.³⁸ Again, this was an effort to modify the state’s traditional means of off-loading policy research and advising.

Several people told us that this was part of a more general trend among policy makers to demand better scientific policy analysis in order to cope with the more complex problems of the post-Golden Age era.³⁹ According to one ministry official, ‘One of the biggest changes is that ministries rely more on this scientific expertise . . . because in today’s world . . . the decisions are more complex than they were decades ago, and you need more and more scientific expertise to make the right decisions.’⁴⁰ In effect, their demands for better policy analysis were tantamount to a call for recalibrating the knowledge regime to improve its utility for the rest of the political economy. This involved better coordination of scientific policy analysis within the field. One of the most dramatic manifestations of this shift involved the Leibniz Association.

The Leibniz Association, formerly known as the Blue List, was established in 1995. It is a small group of esteemed semi-public scholarly research institutes that receive special federal funding—and a boost in status—because of the high quality and national importance of their work. Organizations become part of the Leibniz Association if they periodically pass an evaluation process designed to ensure excellence in research. Only the very best research organizations are admitted to the Leibniz Association (Baml, 2004). The Blue List/Leibniz Association was established by the Germany Science Council (Wissenschaftsrat), which itself was created in 1957 by the federal and state governments to advise them in matters of science and higher education—another example of the state off-loading some regulatory responsibility (Baml, 2004, p. 26).

The Leibniz evaluation criteria were beefed up after unification in part to weed out weak East German research institutes that still received state funding despite the poor quality of their work. The new criteria were applied to the research organizations in the west, too.⁴¹ According to the people we interviewed, this helped spawn significantly more technically

37 Rolf Langhammer, IfW.

38 Senior official, IfO.

39 Senior official, MPIfG; Wolfgang Franz, ZEW; Rolf Kroker, IW; Ulrich Walwei, IAB.

40 Senior official, SOWI.

41 Senior official, IfO.

sophisticated economic policy analysis. Furthermore, a senior researcher at one organization told us that that this had ‘pushed the process’ whereby research organizations monitored each other to ensure that they were using state-of-the-art methods and data.⁴² To satisfy the new Leibniz criteria, several organizations hired esteemed university professors to run them. The president of the German Institute for Economic Research (DIW) told us that his appointment to run DIW was a direct response to the organization’s Leibniz evaluation. More recently a similar review process has been directed at the ministerial research units to improve the quality of their analytic work.⁴³ The Leibniz process and its ministerial equivalent were coordination mechanisms designed to improve the technical quality of policy analysis.

The end of the Golden Age had additional effects on the knowledge regime. Firms began turning away from traditional corporatist channels of influence toward advocacy policy research organizations operating outside that system. This was perhaps the most obvious manifestation of the crisis of corporatism. Globalization and the internationalization of business increasingly put the interests of big multi-national firms at odds with small and medium-size firms, thus making it difficult for employer associations to represent all of their interests (Thelen, 2000; Streeck, 2009, pp. 84–85). This is why, for instance, the metal working trade association agreed in 1999 to appease members coveting neoliberalism by creating the Initiative New Social Market Economy (INSM), which specializes in cultivating favorable media coverage for neoliberal policies. It has what it calls a think tank that often outsources research especially to the Cologne Institute for Economic Research (IW) and then disseminates the results through the media.⁴⁴ A senior official at the Foundation Market Economy (SM), another upstart advocacy research organization, explained that the problem with corporatism, and one reason SM and groups like it were founded, was that it took too long for the employer association members to analyze and compromise on pressing policy issues. In short, corporatism was too lethargic for the increasingly fast-paced global economy, so more flexible and rapid-moving organizations like this were deemed necessary.

Two additional things exacerbated the rise of these advocacy organizations. First was moving the federal government from Bonn to Berlin in 1999 as a result of unification. This created new political opportunities for advocacy research organizations and others to enter the field and compete—opportunities associated with the creation of a bigger state infrastructure.⁴⁵ Second, in the early 2000s the laws governing private foundations—including those involved with policy research—were changed to increase the tax breaks for those who contributed to them. This created additional incentives for people to create advocacy research organizations. In some cases the tax breaks were 10 times larger than before and worth up to €1 million.⁴⁶ Yet compared with the USA, these advocacy organizations remain small in number and on the margins of the knowledge regime.

To review, Germany’s political and economic institutional legacies helped shape its knowledge regime when the Golden Age ended and corporatism was called into question. First, following its corporatist traditions, the state continued to off-load and coordinate research and advisory functions with a mandate for consensus but to a wider variety of policy research

42 Ulrich Walwei, IAB.

43 Senior official, SOWI.

44 Rolf Kroker, IW; senior official, INSM.

45 Senior official, SM.

46 Senior officials, SM and KAS.

organizations by opening up the bidding to more research institutes for inclusion in the Joint Economic Report. Second, Germany's federalist political structure continued to have influence insofar as the Länder governments still funded these and other research organizations. Third, the Science Council's Leibniz evaluation process was beefed up, thus helping improve research practices across the semi-public research institutes, especially after unification. This was a softer form of coordination based on incentives rather than the harder form of coordination based on mandates, such as those used to coordinate activity within the Joint Economic Report group. Fourth, it was the crisis of corporatism—concerns about the adequacy of corporatist institutions in the first place—that led to the emergence of some private advocacy organizations. Of course, this was also facilitated by another institutional change—tax code revisions.

5. Discussion

We have argued that as the Golden Age came to an end, the transformation of knowledge regimes was shaped by their surrounding political and economic institutions in nationally specific ways. Two caveats are in order. First, as noted, whether the changes involved led to changes in policy making or improvements in each country's political-economic performance is beyond the scope of this article. Second, because we have argued that crises trigger changes in knowledge regimes, one might wonder what effect the 2008 financial crisis had. Unfortunately, we conducted most of our interviews before the crisis hit. About a year later, however, we followed up via email with several of the people we interviewed to see if the crisis had had effects. Nobody reported any significant changes. But remember that previous changes we reported took a long time, so things may still evolve.

We do not claim that knowledge regimes are completely independent from policy-making regimes or production regimes. Their degree of independence varies for reasons that have much to do with the institutional factors we have discussed. In the USA, for instance, several policy research organizations were tied closely to the production regime insofar as corporations, wealthy individuals, private foundations or labor unions supported their activities. In France, many policy research organizations were supported by state agencies within the policy-making regime. In Germany, some semi-public policy research organizations received support from the state and to a lesser degree from the universities, which arguably might provide more independent, non-partisan backing. These relationships evolved over time, such as in France where the externalization strategy deliberately put distance between the knowledge and policy-making regimes in this regard. What this implies is that the degree to which either individual policy research organizations or knowledge regimes as a whole generate policy ideas independently of the influences of policy-making and production regimes is variable. Put differently, to reduce the organization and activities of knowledge regimes, the ideas they produce and their effects on policy outcomes to either policy-making or production regimes is in our view an unfortunate over-simplification.

Some alternative explanations for our results are worth considering. One is the rise of neoliberalism. In the USA, for instance, perhaps the modest trend toward cooperation among ideologically opposed research organizations was due to a convergence among them on the neoliberal perspective. In France, perhaps the turn to outside expertise was simply cover for policy makers who sought to embrace neoliberal austerity policies in the sense that they could abdicate responsibility for ideas about austerity to them. In Germany perhaps the move to

circumvent traditional corporatist channels was symptomatic of the penetration of neoliberalism into that knowledge regime. All of this is plausible, but we found little evidence to support these arguments—and some that contradict it. For instance, in the USA members of the Fiscal Tour agreed only to cooperate on voicing concerns about the problems of debt, deficits and entitlements. They disagreed on the solutions, which ranged from neoliberal spending cuts to non-neoliberal tax increases, and recognized therefore that cooperating to advocate solutions was impossible. In France, one of the most prominent of the new semi-public research organizations, OFCE, was Keynesian rather than neoliberal in complexion. Both a right-wing prime minister (Barre) and an anti-neoliberal socialist prime minister (Jospin) pursued the same externalization strategy. Furthermore, in Germany the rise of private advocacy organizations trying to side-step corporatist channels was on the periphery of the knowledge regime; it did not involve the core semi-public research institutes. Furthermore, we were told that the move to side-step corporatist channels stemmed from concerns that policy advising and policy making needed to be sped up due to fast-paced globalization—not that it needed to be pushed toward neoliberalism.⁴⁷

Another alternative explanation might stem from organizational theory, which argues that organizational forms and practices diffuse through an organizational field such that most organizations eventually converge to look very similar (DiMaggio and Powell, 1983). However, convergence was limited in our cases because institutions constrained whatever tendencies there might have been toward convergence. Two examples will suffice. First, as noted, despite the fact that there were moves in all three knowledge regimes to establish advocacy organizations, differences in tax laws influenced how far this went in each country. The constraints were more severe in France, which was why so few of these organizations were established there compared with the USA.

Second, in all three countries there were movements toward, on the one hand, more competition and, on the other hand, more coordination and cooperation. This might suggest convergence except, as we have seen, this was far from uniform across countries. Competition became much more prevalent in the USA thanks to the extensive institutional opportunities for privately funded research organizations. Cooperation and coordination were more prevalent in France and Germany, though taking different forms in each country. In France this was due to the state's institutional capacities to directly recentralize the knowledge regime. In Germany this was due to corporatist institutions through which status rewards were conferred on the best research organizations willing to assume certain responsibilities for advising the government and improve the quality of their research. Again, institutional factors mediated the degree to which there was convergence across countries. This is consistent with recent work by organization theorists on institutional logics, which argues that the mechanisms driving change are institutionally determined (Thornton *et al.*, 2012). Moreover, the fact that the outcomes and mechanisms of change were nationally distinct is consistent with other research in comparative political economy, which shows that countries respond quite differently to common crises according to differences in their institutional arrangements (e.g. Gourevitch, 1986; Guillen, 2001).

An additional alternative explanation might derive from Marion Fourcade's (2009) analysis of the development of economists and economic knowledge in the USA, Britain and

47 Note also that the ideas generated by key policy research organizations in these countries did not display a universal shift toward neoliberalism (Rasmussen, 2014; Campbell and Pedersen, 2015).

France. She argues that the economics profession has been shaped by three variables in each country: the administrative order, the economic order and the order of learning. We are sympathetic to her approach insofar as her first two variables somewhat resemble what we call policy-making and production regimes, respectively. Her third variable, the order of learning, is tantamount to the academic system, which we have already discussed and found to be of little use in the analysis of knowledge regimes in our three countries. However, the more important point is that her chief concern is with explaining the long historical development of economics as a profession and its prevailing mode of thought in each country. For her the central question is: 'What does it mean to be an economist' in each country (2009, p. 13). This is where our paths begin to diverge. We are not concerned with the development of the economics profession *per se* or the form it takes. Rather, we are interested in what sorts of organizations anyone—including but not necessarily just professional economists—use to generate and disseminate applied policy analysis and recommendations in the hope of influencing public policy. Indeed, we visited many policy research organizations that employ researchers that are not economists. So while our explanans might be similar, our explanandum are less so even if some researchers might find them to be complementary or partially overlapping. Note as well that although both of our studies have two countries in common, the USA and France, she finds much greater significance for the academy in hers than we do in ours—another indication that we do not share exactly the same explanandum.

Our analysis offers insight about the role of experts in policy analysis. We do not view the experts and technocrats in our knowledge regimes through a Panglossian lens. Some scholars have argued that policy analysts, experts and the research organizations they populate are either captive of the interests that finance their work or concerned with expanding their own power and influence (Dye, 1995, pp. 233–36; Collins and Evans, 2007, chap. 4; Domhoff, 2010). That is, they are not as objective, impartial and public spirited as one might think. We recognize this possibility. There is likely some truth to these viewpoints, but we suspect that there is also cross-national variation. One might expect, for instance, that especially in some US organizations where ideologically colored interests often finance private think tanks some of the experts involved might best fit the capture model. We see no reason, however, that experts in state agencies would fit that model (e.g. Bimber, 1996; Joyce, 2011). In Germany where elite research institutions are publicly funded and contend for Leibniz accreditation and a place in the Joint Economic Report process, the experts may try to advance their own power and influence. In France, state technocrats may already have more power and influence than they do elsewhere and so might operate more objectively and impartially. Yet without more data we can only speculate about all of this. The issue can only be settled empirically through a comparative analysis of experts in policy research organizations.

Our analysis also has important implications for the notion of institutional complementarity. First, as is well known, one of the most important insights of the varieties of capitalism is that different institutional combinations sometimes create institutional complementarities that help improve political-economic performance insofar as the functioning of one institution improves the performance of another institution. Institutional complementarities are said to arise often from the relationships between policy-making and production regimes (Crouch, 2005; Hall and Soskice, 2001*b*). But the same is true for knowledge regimes. In our three cases, when people were confronted by serious problems stemming from the end of the Golden Age, they

perceived that the organizational machinery of their knowledge regimes had broken down and needed to be modified to get the political economy back on track. In effect they believed that their knowledge regimes no longer afforded the kind of institutional complementarity they once did for the rest of the political economy. Second, the analysis and insights provided by knowledge regimes may alert people to institutional complementarities (or their breakdown) elsewhere in the political economy. For example, in research reported elsewhere we found that analytic reports emanating from key policy research organizations in the French knowledge regime pointed to the institutional complementarities between research and development, financial, educational and vocational training institutions that affected French economic competitiveness. These reports also urged policy makers to take these complementarities seriously and fortify them (e.g. [Campbell and Pedersen, 2014](#), p. 303). In sum, knowledge regimes are both constraining and enabling. They are constraining in the sense that they constitute a structural source of institutional complementarity in their own right—a source heretofore unrecognized by researchers; they are enabling in the sense that they may help people perceive and understand institutional complementarities throughout the political economy.

Examining knowledge regimes can also provide insights about the relationship between institutional complementarity and institutional change. To begin with, several people have criticized the varieties of capitalism school for taking the stability of institutional complementarities for granted and neglecting how these things change ([Streeck and Thelen, 2005](#)). Insofar as people perceived that their knowledge regimes became dysfunctional and then moved to change them we argue that the complementary relationship between a knowledge regime and the rest of the political economy may actually be a source of change. Remember, however, that efforts to restore the complementary relationships between knowledge regimes and the rest of the political economy are not necessarily smooth and effective. In both the USA and France initial steps to either infuse the knowledge regime with more competition or decentralize it, respectively, were then followed by efforts to orchestrate cooperation or recentralization. Moreover, these efforts may be contested. In France, for instance, although some people wanted to foster private advocacy organizations they struggled for years with the civil service to obtain permission to establish them and then to change the tax code to make them easier to finance. In short, complementarities are not functionally guaranteed. Because efforts to create them may involve struggle and conflict, there is no assurance that when people try to create or restore perceived complementarities they will succeed.

To conclude, ideational analysis has shown that ideas matter for policy making but neglected how they are produced in the first place. We have started to fill that blind spot by introducing the concept of knowledge regime. We have shown as well that the manner in which knowledge regimes are organized and operate is influenced by the political and economic institutions that surround them. In doing so we link the literature on ideational analysis with the broader literature in comparative political economy that attends to the importance of both policy-making and production regimes. We have shown that changes in and challenges to the broader political economy can trigger changes in the knowledge regime. Whether these arguments hold for other types of political economies or other policy areas is well worth studying, and we encourage others to do so to better integrate the analysis of ideas with research in comparative political economy.

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