

Explaining unintended and unexpected consequences of policy decisions:

comparing three British governments, 1959-74¹

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Abstract

The vulnerability of policymaking to unintended and unanticipated consequences has been documented since Thucydides. Yet we still lack integrated conceptual and explanatory accounts of their variety and aetiology. Adequate consideration of putatively unintended and unanticipated consequences requires evidence about policymakers' prior intentions and anticipations, the factors affecting their cognition and the forces bearing upon responses to attempted execution of policies. This study uses archival evidence about three postwar British governments to examine hypotheses derived from neo-Durkheimian institutional theory. It compares relationships between policymakers' informal social organisation and their biases in framing anticipations and intentions in three policy fields. It shows that, contrary to widely made claims about a 'law' of unintended consequences, neither unintended nor unexpected consequences are random, but reflect basic patterns in variation and aetiology which the neo-Durkheimian theory explains well.

Policy researchers commonly argue that better understanding of unanticipated and unintended consequences can help policymakers to minimise their incidence or severity, usually by improving their prior anticipation (e.g., Streets and Glantz, 2000; King 1995; Grabosky, 1996). By contrast, many political scientists (e.g., Hood and Peters, 2004; Rhodes, 2000, 2005, 2011) and complexity theorists (Geyer and Rihani, 2010) believe that unintended and unanticipated consequences are unavoidable, suggesting that neither their incidence nor severity can be reduced. Some write of a ‘law’ of unintended consequences, suggesting that their variation is indefinite and without pattern and their occurrence random and inevitable. Yet these claims are rarely examined empirically.

Studies often classify unhappy consequences as unintended or unanticipated without examining evidence about what policymakers did anticipate or intend (6, 2010): absence of anticipation or intention is often inferred from the fact that a policy’s outcomes are unwelcome (6, 2010; Newberry 2002 and Rao 2002 are exceptions). Most studies concern fiascos and failures, even though some unintended or unanticipated outcomes and surprises can be welcome to policymakers (Cortell and Peterson 2001 is an exception). Furthermore, most studies in this vast literature study single cases. Some studies use comparative analysis to demonstrate the importance of a particular causal factor (e.g., Scott’s 1998 critique of hubristic governmental programmes of technological modernisation). Inductive comparison can provide valuable insights about different dynamics for under- and over-shooting intentions (e.g., Anderson, 2004). Margetts *et al* (2010) use case-comparative analysis to develop a theory of causation for unintended consequences but only for cases of ‘modernisation’.

We therefore need better understandings of variety and aetiology in unintended and unanticipated consequences of policy decisions. Is variety limited? Are there patterns in aetiology? What contribution do policymakers’ biases in anticipation and intention make to causation?

This article shows how neo-Durkheimian institutional theory can answer these questions. Using archival sources, the study compares cases from several policy fields in British governments between 1959 and 1974. It shows that, by contrast with one version of a ‘law’ of unintended and

unanticipated consequences, hypotheses derived from this theory perform well in explaining how intentions and anticipations might be skewed and policy fields structured to cause these outcomes.

This is a well-documented period. The aim, therefore, is not to use theory to retrodict previously unknown facts and then reveal previously unknown historical evidence to test those retrodictions. Rather, if the theory's retrodictions are supported, its contribution will be in providing an *integrated* explanation for the variation in, and patterns among particular empirical factors previously emphasised in historiographical studies. Historical work has identified particular empirical factors to explain unintended consequences, but scientific progress consists not only in solving empirical problems but also in resolving conceptual ones (Laudan, 1977; Johnson, 2003). For the first time, this article offers an integrated, comprehensive, elegant, parsimonious explanatory theory within which these particular empirical facts play clear roles and in which their variation can explained.

Unintended consequences and surprises in government

This article uses Hirschman's (1991) distinction among unintended consequences between welcome surprises, cases of futility (null effect), of perversity (undermining the goal policymakers intend to achieve) and of jeopardy (undermining other things policymakers care about).

There are different understandings of what a 'law' of unintended consequences would claim, but none is entirely clear. The least controversial, least precise and least interesting is the simple generalisation that they are common (e.g., Fine, 2006, 7). The most extreme is Roots' (2004) claim that statute lawmaking is more vulnerable to unintended, perverse consequences than any other form of human action.

Some writers interpret such a law as claiming that unintended effects of policies typically outweigh intended ones, or that the principal outcomes will be unintended (e.g., Rhodes and Bevir, 2003, 76). If a policy has any consequences at all, then in the long run, most of them must be

unintended, because people cannot frame intentions far into the future. Such a 'law' is therefore only interesting if it claims that unintended effects will dominate in the short run. Borrowing Hennessy's (1992, 453) phrase, Rhodes (2000, 353) describes this short run claim as one of the 'sour laws of unintended consequences', implying that these consequences arise randomly and without pattern. Yet even this is a descriptive empirical generalisation rather than a law, because it provides no explanatory mechanisms.

Lacking explanatory theory, studies that seek generalisation tend to use descriptive typologies. This article argues that the widely-cited taxonomic frameworks are of greatest value when combined with an approach capable of demonstrating causation. Classification of policies and outcomes must address both forces biasing decision-makers' intentions and anticipation, and forces affecting policy execution. Intention and anticipation can vary independently (6, 2010). Unintended consequences may be anticipated. Sometimes unwelcome outcomes are anticipated as possibilities but not expected. These are 'risks knowingly run'. Conversely, when a hoped-for outcome comes as a welcome surprise (for example, because of its particular causal route, or its low prior estimated likelihood), it can be regarded as a 'despairing hope'.

One policymaker's anticipations of possible unwanted outcomes may be dismissed by others, perhaps wrongly, and perhaps as result of a biasing mechanism. Some biases affect anticipation or its reception; others affect intentions; some affect both. Some important studies classify explanatory mechanisms for biases that blinker anticipation and/or cultivate inappropriateness in intentions. Merton (1936) distinguished ignorance, error, misplaced interest and priority for intrinsic values; Rhodes (2011, 294) adds loss of institutional memory. We can call these *actor-centred* mechanisms. (Although actor-centred mechanisms cultivate styles of individual agency, they are not themselves aspects of 'agency' in explanation. By biasing anticipation and intention, they constrain agency. Moreover, the next section presents a theory explaining actor-centred mechanisms by reference to social organisation, usually regarded as part of 'structure'.)

Other scholars classify mechanisms of causation operating after initiation and during execution. Sieber (1981) identified functional disruption; exploitation; goal displacement; provocation; classification; overcommitment and placation. Other examples include bandwaggoning leading to over-shooting of intended outcomes, resource depletion leading to undershooting, lock-ins by labelling and path dependencies, countervailing reaction, capture, gaming, and erosion of control leading to drift from intended outcome. These, we can call *system-centred* mechanisms. (These are neither only nor all cases of ‘structure’ in explanation: many are dynamics rather than constraints, while gaming and capture clearly reflect actions chosen by those responding to policy initiatives.) Sieber’s (1981) categories of goal displacement and overcommitment and Merton’s of self-fulfilling prophecy are combinations of actor- and system-centred mechanisms. Hirschman’s (1991) typology focuses on relations between actor-level intentions and system-centred outcomes.

If life in government were tidy, surprises and shocks (e.g., ‘strategic surprises’ in international relations: Wirtz, 2006) would be exogenously caused, whereas unintended and unanticipated consequences would be induced endogenously by governments’ own actions, and all cases could be unambiguously allocated to one or the other category. Although there are some nearly pure cases of each type, in practice even apparently extreme cases exhibit exogenous and endogenous contributions, in different weightings. For example, defence experts often argue that countries which experience ‘surprise attacks’, such as Germany’s invasion of the USSR in 1941, could have made better inferences from the limited intelligence available (Betts, 1982; Levite, 1987). Likewise, economists rarely accept the claim that governments can do nothing to prepare for exogenous economic shocks such as global downturns. Conversely, even in domestic policy where outcomes are supposedly heavily constrained by government’s influence over policy processes, implementers’ responses are partly exogenously driven. No implementation scheme can completely dominate every goal, aspiration, incentive and social tie which influences those who implement policies. Therefore, policy shocks and unintended consequences are not alternative

categories but extremes on a spectrum covering the extent to which policymakers' own decisions contribute to outcomes.

Adequate explanations would require linking mechanisms, pairing at least one actor-centred and one system-centred mechanism. However, their relative weights matter. It would be significant if we discovered, for example, that biased expectation or intention is more fundamental in explaining outcomes than subsequent capture, because decisions made under such biases would elicit system-centred processes to produce unanticipated outcomes. Conversely, it would be significant if we found that interactions produce unintended outcomes even where policymakers are clear-sighted.

Using this distinction, we can restate more precisely the strongest version of a 'law of unintended consequences'. This would claim that, even if bias were eliminated

- even in the short run, more or less randomly occurring system-centred mechanisms will overwhelm any policymakers' anticipations and intentions, irrespective of the nature of their particular biases; therefore, empirical cases will best be explained by these system-centred processes; and that
- we should expect to find no particular patterns relating actor-centred and system-centred mechanisms.

This is effectively a null hypothesis. If we can find evidence that actor-centred mechanisms matter – that they have patterned rather than random relations with system-centred processes – then the null hypothesis is false.

But what would policy fields be like, for the null hypothesis to be true? To help us answer this question, we can borrow the distinction from complexity theory (e.g., Boisot and McKelvey, 2011; Room, 2011, 138ff) between

- disordered environments: exhibiting high and inherent unpredictability, prohibiting even trend prediction; strong unpredictable exogeneity; high variety of possible responses to action; ignorance about effects of actions on environment; but with many non-linear effects;
- complex environments: exhibiting some stable elements amid unstable ones, allowing trend but not point prediction; moderate unpredictable exogeneity; moderate variety of likely responses to action; uncertainty about effects of actions on environment; so that some but not all effects remain linear; and
- ordered environments: exhibiting stability with some trend and some point predictability; exogeneity often predictable; moderate variety of likely responses to action; sufficient information within bounds of risk about effects of actions on environment, with most effects linear.

Thus, the nearer a policy field lies toward the disordered category, the more likely it is to exhibit largely exogenous surprises, rather than purely endogenous unintended and unanticipated consequences.

Over the long run, all policy fields will move into at least one disordered phase. If the null hypothesis were true, however, policy environments would have to be too disordered, even in the short run, to sustain trustworthy linkages between intention or anticipation, however biased, and system-centred processes, so that unpatterned system-centred mechanisms can dominate (Rhodes, 2000, 2005, seems to envisage something like this).

For the null hypothesis to fail, policy fields must differ in degrees of order and disorder, and some must be complex, but not necessarily ordered. For, allowing for probabilistic understanding of trends and limits on the range of likely responses to action, even mild attenuation of disorder would create the possibility of patterned relations between actors' biases and system processes.. What would policy environments be like, for this to be the case? What specific, testable hypotheses

would an answer to that question yield, about patterns of bias cultivated in particular settings and about the system-centred processes with which those biases should be linked? Can we identify a theoretical framework that offers empirically examinable expectations of patterns among actor- and system-centred mechanisms?

Hypotheses from neo-Durkheimian institutional theory

Theory derived from the neo-Durkheimian institutional framework can provide insights about the diversity of types and the causation of unintended and unanticipated consequences of policies. This theory was first developed by Douglas (1982; 1986) and applied in public administration by e.g., Hood (1998; cf 6, 2011; special issue of *PS: political science and politics*, 2011, 44, 4, 703-748). It deduces four elementary forms of social organisation from Durkheim's (1951) two dimensions of informal institutions – namely, social regulation and social integration. These four forms are hierarchical, individualistic, enclaved and isolate organisation. Three of these forms contain distinct structural positions – namely, superior and subaltern positions in hierarchical organisation, independent and dependent (e.g., patron and client) under individualistic institutions, structural despot and structural serf in isolate organisation (6, 2011). Each form cultivates a distinct thought style (Douglas, 1986; 6, 2013, forthcoming a). In the realisation used here (6, 2011), the theory argues that the particular mix of forms in their informal social organisation, in which some forms are more heavily weighted than others and one may be pre-eminent, cultivate distinct biases among policymakers, which shape the actor-centred mechanisms at work. Secondly, the specific kinds of order and disorder in policy environments are similarly shaped by the elementary forms of social organisation among the main actors in each policy field. Thus the weights in the mix of elementary forms in each policy field sustain particular system-centred mechanisms too. Because one form is often pre-eminent and cultivates the most important biases, it is reasonable simplification to concentrate analysis on that form.

We begin with actor-centred mechanisms. In each elementary form of social organisation among policymakers, we should expect different styles of intention and anticipation, the latter being driven by the styles of thought about time (Rayner, 1982; Peck and 6, 2006, 50-77).

- In hierarchical organisation, policymakers invest significantly in anticipation. They anticipate by extrapolation from previous experience; and form intentions that, where they err toward excessive ambition, do so in what can be achieved by strong social regulation and integration.
- Under individualistic organisation, policymakers' anticipations show greater openness to discontinuity than in hierarchical organisation. Where their intentions err toward excessive ambition, they do so in what can be achieved by negotiation or by leadership to attract followers (Merton's priority for interest). Negotiability of social relations here also enables intentions to be negotiable. Thus, individualistically ordered actors, in competition with rivals and needing to retain followers, often have to cultivate 'reserve intentions' which may be fulfilled, and their successes trumpeted to followers and others, even when the overt goals of a policy cannot be achieved (6, forthcoming a).
- In enclaved settings, anticipation tends toward Manichaeian polarisation between optimism about the movement's potential and pessimism about the catastrophic implications of setbacks (Rayner, 1982). Action choice is driven by principle rather by circumstance (Merton's priority for intrinsic value). Where intentions err toward excessive ambition, they do so in what can be achieved by collective commitment among a coalition of the willing.
- In isolate organisation, anticipation is not greatly used because action choice is driven by immediate needs to pass on constraint by imposition (in the structural isolate despot position) or else to cope with or evade imposed constraints (in the structural isolate serf position). Where intentions err toward excessive ambition, they do so in what can be achieved by imposing constraints upon others (in the structural isolate despot position).

We now turn to system-centred processes. Policy implementation involves people who may be organised very differently from the policy formulators, but all four elementary forms will be present in some degree. Hierarchically organised zones within policy fields will appear relatively ordered, until positive feedback in hierarchy produces such rococo profusion of regulation that it undermines the very legibility that social regulation is used to achieve or until negative feedback by other forms leads to conflict or decay. Zones exhibiting significant elements of the other elementary forms are likely to appear complex. Individualistic ordering allows dynamic flexibility in negotiated relations; isolate ordering tends to lead to instability through brittle despotic imposition, provoking countervailing reaction (6, 2011, 2013); enclaving tends toward conflict. Where there is deep conflict or instability among forms, fields may even be disordered. The more significant are structural isolate despots in a policy environment (even if the same individuals may be organised differently in other policy fields), the greater the chance of a disordered field. We may expect this exogeneity to be important in international affairs where, even within alliances, the scope for strong social integration between governments is much less than it is within them.

Among hierarchically organised actors, countervailing responses to government action may take the form of pressure for re-regulation or for return to prior informal regulation. In enclaves, such as 'shop floor' trades union militant groups, it may take the form of more drastic opposition. In countries embedded in developed bond and currency markets, key zones within economic policy fields will exhibit significant individualistic organisation because traders operate competitively and look for arbitrage opportunities, even when following each other's signals. Therefore when their actions have countervailing effects upon policy, outcomes may take the form of 'runs' or collapses in prices, as confidence tumbles. Within large-scale hierarchical organisations, action by individualistically-organised segments may not be intended to confront official initiatives but rather to exploit them, by professional capture, or 'gaming' (Bevan and Hood, 2006) to secure greatest individual benefit from available incentives without providing the behavioural response

for which the incentives were designed to be a ‘purchase price’. Isolate organisation of the structural serf form within hierarchical contexts is most likely to lead to drift, evasion or coping.

Comparing cases across policy fields in three governments

To examine these hypotheses, we must compare governments in which policymakers were subject to different informal institutional organisation, to select putatively unintended consequences and surprises experienced across a sample of policy fields and to identify key aspects of their causal aetiology. We can then examine the resulting matrix, to identify patterns which suffice to undermine the null hypothesis and which are, instead, explained by these hypotheses.

This research design needs robust evidence on which to code independently for policymakers’ intentions and anticipations and for the relative weighting of elementary forms of social organisation among them. British cases must therefore be old enough for official papers to have been released, memoirs and diaries published and for historians’ debates to have been conducted. By contrast, studying contemporary cases presents difficulties. Many consequences may not yet have arisen. We should have to rely on interviews, but memories are often faulty and policymakers who are still politically active may represent their intentions and anticipations strategically. Papers released under freedom of information legislation are redacted, making them much less complete than those released under the ‘thirty year rule’. Use of archival sources reduces all these difficulties.

Moreover, any study of unintended and unanticipated consequences must examine a period sufficiently long after intentions are formed and decisions made, for system-centred mechanisms to operate and for outcomes to be discernible. Typically therefore, a period of about fifteen years is appropriate.

This article therefore draws on the author’s (6, 2012, 2013, forthcoming a) comparative study of policy fields under the Macmillan, Wilson and Heath administrations in Britain between 1959 and 1974. As well as diaries, memoirs and biographies, this study made detailed use of large

numbers of documents in the National Archives, and of politicians' private papers in the Bodleian Library, Churchill College and elsewhere, to reconstruct anticipations and intentions.

A key finding from that study requires a major qualification in the conceptual framework used for analysis. *Anticipation* of an outcome may be defined as the prior recognition of its non-negligible possibility by at least one senior policymaker, which was communicated to at least one minister. By this standard, in this period of British government, very few outcomes in the policy fields of interest were unanticipated. Most cases where the government's own policy made a major contribution to the outcome were of risks knowingly run but that turned out badly, rather than of policy outcomes arising out of the blue. In most cases, the civil service did the job required of it, by identifying the range of possible outcomes worth considering before ministers became committed. Because the institutional organisation of the civil service sustains much of the hierarchical element in any government's social organisation, the theory predicts just this investment in anticipation. Even in the few cases where civil servants did not identify possibility of an adverse outcome, cabinet and ministerial committee minutes, ministerial papers and other evidence show that ministers often independently recognised such possibilities. Using such a low threshold for 'anticipation' therefore provides too few cases and too little discrimination to support interesting analysis. *Expectation* was therefore used, meaning prior recognition by a senior official or minister of an outcome's probability as being at least even – or in qualitative terms, at least as likely as not. Using this threshold, many more cases can be coded as 'unexpected'. However, anticipations were sometimes dismissed, or at least not converted into expectations; great risks were sometimes run despite anticipations being given as warnings; expectations were subject to bias; and anticipations and expectations did not always lead to dampening of ambitious intentions. The neo-Durkheimian framework offers to explain systematically how patterns of biases were cultivated differently in different forms of social organisation, and how they drove these wedges between information, cognition and conation.

This study's coding of the changing mix of elementary forms in these governments is justified at length elsewhere (6, forthcoming a). It shows that after 1959 informal social organisation in the Macmillan administration was predominantly hierarchical in domestic policy, until the government moved into an isolation dynamic in mid-1962 (6, 2012). However, in foreign relations, a zone of structured patron-client individualism persisted throughout, in which Macmillan acted as the pre-eminent independent patron reserving superpower relations to himself while allowing latitude to his personal client ministers – Heath in the EEC talks and Selwyn Lloyd and then Douglas-Home in foreign affairs – which was not permitted to ministers in domestic policy. This pattern even persisted after 1962 when the domestic part of the government shifted into isolate ordering. The ruggedly competitive individualistic rivalries among ministerial patrons and their cliques of clients in the Wilson governments are well known. In that administration, a short and shallow isolation dynamic began in November 1967 but was largely dissipated by March 1968. Isolate organisation began in opposition for Heath's cabinet. Initially the pursuit of hierarchical institutions was not wholly unsuccessful. However, from 1971-2, this government was increasingly characterised by deep isolate organisation, with the prime minister in a structurally despotic position (6, 2012, forthcoming a). However, there was a zone of individualistic ordering from 1972 until late 1973 in the Northern Ireland Secretary's office, which was somewhat buffered from social dynamics in Whitehall. Unfortunately, the sample of governments does not include one in which enclaving was very significant in the core executive, but it does include cases where enclaving mattered greatly in the policy fields examined.

Table 1 lists the most politically significant cases which can reasonably confidently be coded as unexpected outcomes faced by governments between 1959 and 1974, excluding Douglas-Home's government which provides too few initiatives to sustain comparative analysis. It shows both welcome and unwelcome outcomes, and distinguishes largely exogenous shocks from cases which were principally unexpected consequences of governments' own policies. The table reports analysis of actor- and system-centred mechanisms, and of the elementary forms of organisation

among policymakers and their interlocutors which contributed to unexpected outcomes. It also distinguishes system-centred ones, which were largely exogenous to the particular government, from those which operated endogenously to the government.

[Table 1 here]

This table excludes some cases which readers might expect to see. The spy scandals which dogged Macmillan's administration are excluded because there are too few comparable cases from subsequent governments to justify comparison. The unwelcome exogenous shock of the Cuban missile crisis is excluded because the British role in it was very limited. Other cases are excluded by our definition of unexpected consequences. For example, the Labour Government was firmly advised of the social homogeneity which would arise from the creation of neighbourhood comprehensive schools. The disadvantage was knowingly accepted and left for future governments to ameliorate (cf. Rao, 2002). Similarly, documentary evidence suggests that the November 1967 devaluation was not unexpected in government. Similarly, for all Heath's energy in conducting them, the failure of the tripartite talks between government, business and trade unions in late 1972 was not unexpected: the speed with which he introduced a statutory incomes policy after the talks ended suggested that Heath and his close advisers had already prepared their plans. Reshuffles, ministerial resignations and electoral outcomes are excluded because the focus is on policy outcomes rather than changes in the social organisation among ministers or on partisan electoral strategy.

For reasons of space, full citations of primary and secondary sources have been excluded from the following analysis, but are available on request.

Analysis

Exogeneity and endogeneity

The cases asterisked in Table 1 are ones for which the principal causes are exogenous to British government policy. As expected, they lie in international and European relations or in

internationally driven impacts on the domestic economy. Skybolt's cancellation reflected US military assessments of its technical capabilities and the US Secretary of Defense's preference for US monopoly of western nuclear capability. Although Wilson may have over-estimated what he could achieve in February 1967 with Kosygin over Vietnam, President Johnson's administration played a very significant role in the failure.

The neglect of grievances in Northern Ireland by postwar governments leaves the outbreak of conflict in 1968-9 as significantly endogenous, even if the timing was determined exogenously by the IRA seizure of the initiative after the civil rights protests.

The Heath government is sometimes described as unlucky, and the India-Pakistan and Yom Kippur wars can fairly be described as largely exogenous policy shocks. In a milder register, Kissinger's 'Year of Europe' initiative counts as an exogenous embarrassment. Yet the Heath administration also experienced some unexpected but welcome, partly exogenous outcomes of its policies, such as the pound's survival after the 1972 floating, French President Pompidou's agreement to British accession to the EEC, the willingness of the biggest trades unions' except the NUM to acquiesce in the Stage III incomes policy in 1973, and the achievement by the Northern Ireland Secretary, Whitelaw, of a power-sharing deal between Catholics and Protestants at Sunningdale also in 1973. Nonetheless, the ferocity of trades union opposition to the government's industrial relations legislation, the various attempts by ministers and employers to use it, and the pay strikes which broke the governments' incomes policies were all in significant part endogenous results of government policy.

Actor-centred mechanisms: bias in anticipation and expectation

We consider next the evidence for the hypotheses about anticipation and expectation.

That the trades unions would seek to challenge the 1961 'pay pause' was obvious to many contemporary commentators, but Macmillan and his Chancellor seem to have expected that the wage freeze could be sustained into 1962 and then replaced in a planned and orderly fashion. In

hierarchical vein, they built expectations on the assumption that rules would largely be accepted, or else accommodations could be made to maintain a rule-governed system.

Macmillan and his ministers certainly anticipated the possibility of De Gaulle's veto of UK accession to the European common market in 1963. Yet the depth of Macmillan's subsequent despondency suggests that he did not really expect it. While formally recognising the possibility of rebuff, he and his principal negotiator, Edward Heath, appear to have expected until late in the talks that British indication of willingness to accept EEC rules would elicit acceptance, if not on in rule-based team negotiation then in Macmillan's personal negotiation at the final stage when individualistic ordering among patrons would matter most.

Of all the foreign and defence policy issues that preoccupied Macmillan, only the US cancellation of Skybolt provided a largely exogenous policy shock, but informally individualistic relations between Macmillan and Kennedy at Nassau contributed to an unexpected but welcome outcome.

Although the depth of the sterling and balance of payments crisis facing the incoming Labour government in October 1964 was principally caused by Conservative policies under Douglas-Home (and were therefore largely exogenous for the Labour administration), Wilson had publicly anticipated a crisis during the election campaign. In so doing, he may have contributed to a Mertonian self-fulfilling prophecy, because he did nothing to reassure investors that he would trim Labour's spending plans in response to a sterling crisis. But he did not expect so severe and urgent a crisis as that which he faced on arrival in Number 10; even then he expected his own negotiating skills would suffice to deal with it.

Coding cases from Wilson's governments presents greater difficulty than for the other two administrations because their predominantly individualistic organisation frequently led to the formation of complicated 'reserve' intentions which could be fulfilled even if actors' principal or overt intentions failed. Commonly, ministers anticipated setbacks, even if they did not fully expect them, and prepared ways of presenting them creditably. This was the case with high profile

diplomatic initiatives over Vietnam and Rhodesia. In industrial relations, Labour ministers expected opposition to their *'In place of strife'* plans for trade union reform, but not the depth and ferocity of political and union antagonism. Wilson and Castle anticipated the need to seek 'credit for trying' in the event of failure.

Likewise, they knew that withdrawal of British armed forces from 'East of Suez' was financially unavoidable, but did not anticipate the urgency with which the exit had to be achieved. Consistently with their individualistic ordering, they over-anticipated their capabilities to negotiate with trade union leaders and to make their fiscal signals credible to the financial markets.

Heath's government provides one of the few cases in which an unwelcome consequence of a government policy came close to fulfilling the definition of an 'unanticipated' outcome. In its aspirations for hierarchy, Heath's government generally invested more than its predecessors in capacity for anticipation. For example, Heath created the Central Policy Review Staff (CPRS) to extend government's capacity for formal policy analysis. But in decision-making ministers placed little weight on its anticipatory advice. Especially after 1971-2 as isolate organisation deepened, ministers increasingly relied on short term coping and improvisatory resilience. As the theory retrodicts, policy innovation in these conditions typically took the form of imposing more controls. Heath and Carr later admitted that they had not conceived in advance that the trades unions might refuse to register under the 1971 Industrial Relations Act. Although the Lord Chancellor, Lord Hailsham, had warned in general terms before their 1970 election that trades union acquiescence could not be assumed, he had not identified the requirement to register as the key vulnerability. Despite their humiliation in the 1972 miners' strike, Heath and his ministers read but did not follow civil service advice that the rigid imposition of a statutory incomes policy risked the same kind of resistance, which occurred during 1973-4. Heath acknowledged in his memoirs that imposing internment in Northern Ireland was a mistake, and that he had not expected it to backfire as it did. Although some ministers had expressed reservations, previous 'successes' in Malaya in

the 1950s and even in Ireland in previous decades became salient historical analogies to a government moving deeper into isolation dynamic.

Actor-centred mechanisms and outcomes

Next, we examine relationships between actor-centred mechanisms and unexpected outcomes. In particular, we look at how social organisation among ministers cultivated particular capabilities and incapacities.

Comparing the different columns in Table 1 suggests strongly that, as retrodicted, unexpected outcomes in machinery of government reform arose from excessive confidence in the policy capability created by strongly rule-based and formally integrated hierarchical approaches (e.g., the introduction of the CPRS and management techniques such as Programme Analysis and Review and Zero-Based Budgeting). By contrast, in Wilson's government, competitive individualistic organisation explains a significant part of the Department of Economic Affairs' failure to thrive: Brown's and Callaghan's rivalries undermined their collective capability to build workable relations between the new economic planning ministry and the Treasury.

Industrial relations, as expected, show enclaving especially among radical shop stewards within the trades unions during this period: this put great pressure on national trade union leaders to adapt or lose support. The Heath administration's vulnerability to unexpected outcomes in this column from 1971-2 onward reflects its own growing structural isolate style in seeking to pass on economic constraints to the organised labour by imposing tight restrictions on industrial action and pay increases. Subject to strong internal social regulation under Heath, the government's anticipations were biased to expect that strong regulation through the 1971 Act the successive pay policies would sustainably order industrial relations. Thus, the government's isolate organisation blinkered it against recognising the likelihood of the trade union backlash against the Industrial Relations Act and of miners' ruthless response to pay restraint and not just – as in the case of the

more individualistic Wilson administration – about their severity, speed of development or urgency.

The one zone of individualistic organisation within the Heath government was that sustained in Stormont around the Northern Ireland Secretary, William Whitelaw after the government had introduced internment and after the events of ‘Bloody Sunday’ in Londonderry in January 1972 when badly led paratroopers opened fire on a crowd. The contrast between the latter and Whitelaw’s patient conduct of bilateral negotiations is also reflected in the different surprises each produced. Internment and Bloody Sunday produced unexpectedly bitter backlashes, whereas Whitelaw was pleasantly surprised that, against the odds, he was able to secure signatures for power-sharing in December 1973. Individualistic organisation internally between Whitelaw as patron and his selected staff in Stormont sustained external capabilities for individual negotiation with radical leaders from both communities which contributed to this welcome outcome.

Thus, actor-centred mechanisms were patterned by social organisation and were independently important in contributing both to expectations and capabilities.

Contrasting types of over-confidence

We now turn to analysis of rows in Table 1, to consider the effects of social organisation upon intention and expectation.

The Macmillan administration bears out the expected pattern. In the more individualistically organised zone of foreign relations, excessive optimism was cultivated about the likelihood of Macmillan’s personal charm winning De Gaulle over to British accession to the European Economic Community, and about the effect of Heath’s assiduous and meticulous detailed work upon other EEC governments. By late 1962, as the government was moving into its isolation dynamic, Macmillan had limited confidence that he could secure President Kennedy’s agreement to British access to Polaris to replace Skybolt. Yet individualistically organised relations with the presidency remained strong enough to contribute to the unexpected but welcome outcome.

Excessive optimism leading to over-expectation often marked Wilson's 1960s governments, for example their relations with Soviet leaders, US President Johnson, Ian Smith in Rhodesia and with British trade union leaders. This, too, bears out the expectation that in individualistic organisation, policymakers will overestimate the efficacy of individual negotiations.

By contrast, it was not only in industrial relations that unexpected outcomes arose from the Heath Government's reliance upon constraint passing-on and imposition of formal rules. Heath's structural isolate judgement also led him into maladroit issue linkage in European diplomacy which appeared arbitrary to other EEC countries. Similarly, his insistence on national autarchy in energy policy wrecked the 1973 European summit in Copenhagen during the oil crisis and undid much of the goodwill for Britain that his accession diplomacy had won.

Heath's government's commitment to strong regulation led to unexpected outcomes. Heath, and his Chancellor, Anthony Barber, were dismayed by industrial investment achieved under their post-1971 fiscal and monetary framework, just as Heath was disappointed that the introduction of new management techniques in government achieved so little. If there was hubris, it consisted not of the individualistic kind often demonstrated by Wilson, but in an excessive faith in regulation, plan and method, increasingly coupled, in the isolate register from 1971, with their top-down imposition. The setbacks of the two miners' strikes crushed ministers' early optimism that they could withstand and win these confrontations to impose the pay norms.

When unexpected happier outcomes befell the Heath government, they often arose where its isolate ordering had least grip. Examples include the government's weakly regulated relations with the currency markets before the Barber growth boom burst in 1973, or the brief and shallowly individualistic bilateral relations cultivated with Pompidou in 1971-2, or relations between Whitelaw and the party leaders in Belfast in 1972-3. The most unexpected welcome outcome consisted in widespread trade union acquiescence in Stage III of the statutory incomes policy, but the huge exception of the miners undermined any political benefit which might have been gleaned from it.

System-centred mechanisms: countervailing and exploiting reaction

Relations between actor-centred and system-centred mechanisms also bear out the theory's retrodictions. Countervailing reactions in enclaved zones of organisation in southern Rhodesia, in the trades unions or in Northern Ireland, principally took the form of defiance, industrial action, protest and even revolt. By contrast, in individualistic organisation, countervailing action took the form of refusals to agree to the substantive content of bargains, as in the DEA-Treasury 'concordat' which was formally accepted but never respected, or the Johnson administration's belated refusal during the 1967 Kosygin talks to allow continued pursuit of its own 'Phase A / Phase B' formula for de-escalation of hostilities in Vietnam. In the annual sterling crises of the 1960s, resistance took the form of market 'runs' or collapses in fiscal and monetary confidence. In hierarchy, the ineffectiveness of the Heath's new management techniques was significantly due to the departments' hierarchical capacities to 'tame' these methods by adapting them to their existing methods of operation, as they had done with the PESC system a decade before. In other cases, individual departmental managers exploitatively 'gamed' the setting of baselines and or measurement of targets. In isolate organisation in the presence of a structural despot, such as De Gaulle in the 1963 and 1967 EEC applications, system-centred mechanisms took the form of imposed obstruction, or of deadlock (as at the 1973 Copenhagen summit), or, in the absence of a structural despot, of formal compliance with constraints while looking for opportunities for subsequent advantage-taking, as in the acceptance by trades unions (other than the NUM) of the Stage III pay limits in 1973.

Futility and perversity

Applying Hirschman's categories, the most common form of unwelcome outcome observed across the cases in Table 1 is that of futility, or non-achievement of intended outcomes. The Macmillan administration failed in its early experiments with incomes policies, failed in its EEC

application and, like most of its successors, in its efforts to resolve the southern Rhodesian problem. The Wilson governments failed to get their industrial relations reforms accepted, failed in their EEC application, failed over Rhodesia, and achieved nothing from a series of initiatives over Vietnam from some of which Wilson seems genuinely to have expected modest success. They also failed to institutionalise a coherent, workable basis for economic planning independently of, but collaboratively with the Treasury.

The same pattern of futility can be found in the Heath administration's machinery of government reforms and in the Copenhagen negotiations. Yet only in this administration do unexpected unwelcome outcomes show any significant evidence of perversity. This difference is well explained by the theory. For this was the administration with the deepest and longest lasting isolation dynamic. Isolate imposition strategies are especially vulnerable to perverse outcomes, both because they readily provoke and offend those in enclaved institutions and because, once an imposition strategy is broken, isolate ordering cultivates neither rich sets of reserve preferences or fallback negotiating positions to accommodate opponents. The government hoped that the 1971 Industrial Relations Act would both support industrial peace and help to moderate wage claims, whereas the system-centred mechanisms unleashed by it contributed to the reverse outcomes. In Northern Ireland, too, the constraint imposition strategy behind internment, and the same thought style which allowed the 'Bloody Sunday' killings positively undermined the government's intentions to de-escalate the conflict.

Discussion

This study suggests that the 'sour law' is overstated and that neo-Durkheimian theory can explain the patterns observed. Of course, governments often face exogenous surprises and unexpected, even unanticipated, and unwelcome consequences of their policies. However, it is not the case that actor-centred mechanisms play only minor roles in their causation. Table 1 strongly suggests that in the most disordered policy fields, those coming closest to the textbook condition of anarchy,

actor-centred mechanisms make important contributions to the causation of unexpected policy outcomes. Even in international relations, the biases cultivated in individualistic organisation toward confidence in negotiation often matter in explaining unexpected outcomes. In domestic policy settings where disorder is lessened by both formal and informal institutions, actor-centred mechanisms matter still more.

Nor is it the case that system-centred mechanisms are more or less random. On the contrary, the distinct mechanisms that emerge depend on the prevailing organisation of the policy field. In fields marked by strongly enclaved groups, countervailing action by collective protest in negative feedback matters most, whereas in individualistic settings, such as bond and currency markets, negative feedback takes the form of bandwaggoning ‘runs’. In the most hierarchical fields, vulnerability to exploitative gaming, or to redescriptive taming of an initiative to the prevailing informal rule-based system, appear most significant. This suggests that domestic policy fields remain complex rather than disordered for significant periods of time, notwithstanding occasional breakdowns.

The third strand of the ‘sour laws’ argument, that unintended, unexpected and, presumably, unwelcome outcomes overwhelm intended and expected ones, is also overstated. For each government, Table 1 identifies some unexpected but welcome outcomes. Each administration also pursued policies where intended effects trumped unintended ones. For example, under Macmillan, the intended effects of negotiating the Laos accords in 1962 and the Test Ban Treaty in 1963, and of the Beeching reorganisation of the railways, all outweighed the unintended ones. Likewise, the July spending cuts of 1966 and the more dramatic post-devaluation budget cuts of January 1968 were hard for the Labour government, but they achieved their short term economic objectives. Heath’s great achievement of securing EEC membership in 1972 has enraged Europhobes in Britain ever since, but its intended consequences dominated its unintended ones.

The analysis reported here was conducted at the level of the particular policy decision. In fields, such as economic policy, industrial relations and Northern Ireland, where policy-making is iterative

and where governments have subsequent opportunities to make decisions by which they hope to recover from setbacks arising from previous decisions, the apparent weight of unwelcome outcomes in Table 1 may mislead. For example, the Wilson government's industrial relations policy did recover by 1970 from the *In place of strife* debacle. Macmillan's government did manage to avoid deep economic recession and a catastrophic balance of payments, and to defer a threatened sterling crisis until it had left office, despite the unwelcome results of its pay policy.

The study shows that the 'overwhelmed by unwelcome and unexpected consequences' thesis appears more nearly true for Heath's administration than for the others. Neo-Durkheimian institutional theory enables this finding to be explained as a special case of deep isolate ordering among policymakers facing and eliciting enclaved responses. Moreover, this special case reinforces the argument *against* the first claim in the 'sour laws' argument, that system-centred processes will be more or less randomly related to actor-centred bias. The Heath government was indeed surprised and frustrated, even domestic policy which is typically more ordered than others. Yet, even that government experienced some welcome surprises. Its internal isolate organisation, deepening from 1971, had effects both on the actor-centred mechanisms shaping its biases in anticipation and intention, and upon the system-centred mechanisms, especially of countervailing reaction to which its industrial relations policies were especially vulnerable. The structural isolate despotic thought style led directly to deep and, after internment was imposed in Northern Ireland between 1970 and 1972, to violent system-centred process of countervailing power. This dynamic increased the degree of disorder in social organisation of industrial relations and Northern Ireland policy, of which perversity in unexpected outcomes is but one symptom.

Conclusion

This study suggests that the null hypothesis of the 'sour laws' argument is overstated. Each of its three implications – that system-centred processes will leave actor-centred ones fairly unimportant

in explanation; that system-centred mechanisms will arise more or less randomly; and that unwelcome consequences will generally overwhelm welcome ones – is doubtful.

Second, the study shows that the neo-Durkheimian institutional approach provides powerful explanations for the patterns observed, and that its retrodictions are substantially borne out. Individualistic organisation does indeed cultivate a bias toward over-confidence in negotiation, and hierarchy and structurally despotic isolate positions a bias toward confidence in imposing constraint. It suggests too, that, especially in isolate organisation, constraint imposition is vulnerable to countervailing action in the form of enclaved protest or even revolt. The closer a policy field is to true anarchy, in which structurally despotic isolates confront each other, the greater the likelihood of exogenous surprises. By contrast, hierarchically organised policy fields tend to be vulnerable to individualistic gaming or ‘lowerarchical’ taming of hierarchically driven programmes.

Rhodes’ ‘sour law’ and its implied null hypothesis can be rejected. Unintended and unexpected consequences are not random. Patterns in outcomes, actor-centred vulnerabilities and system-centred trends can be explained, although reliable point prediction is unlikely. We find structured patterns in actor-centred mechanisms and in relations between actor- and system-centred mechanisms. Relations among these mechanisms also differ significantly between less and more ordered policy fields. If a government, with biases cultivated in its own internal social organisation, makes decisions in less and more orderly policy fields, we should expect different feedback effects.

Nothing in the present argument supports the view, which is as implausibly optimistic as the ‘sour laws’ one is pessimistic, that by using an appropriate theoretical machinery, expert technocratic analysis can unambiguously improve the accuracy of policymakers’ expectations about the outcomes of particular decisions, still less that unexpected consequences can be generally minimised. No social science theory can reasonably be expected to deliver such capabilities to policymakers. Requisite information may well be unavailable, and there are no guarantees that the biases cultivated in the social organisation of expert technocrats will not infect their assessments

too. In complex adaptive systems such as policy fields, point prediction is rarely available even in retrospective studies and rarely in advance of decision-making. Trend identification and analysis can, however, be significantly enriched, if policymakers can be more self-conscious about their own social organisation and the ways in which it is likely to affect their styles of thought. We can only reasonably ask of causal accounts of risks that they provide policymakers with frameworks for reflection on possible outcomes and trajectories of reaction. Unexpected and unintended consequences are not 'problems' that can be 'solved'. Their aetiology constitutes a condition to be managed. Thus, a general explanatory theory of the causes of policy consequences may be of practical, as well as social scientific value.

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Table 1: Unexpected outcomes by policy field and administration, showing exogeneity and principal actor- and system-centred mechanisms

Key:

*: largely exogenous; H: hierarchical; Ind: individualistic; Isl: Isolate; Enc: Enclave; Rh: Southern Rhodesia; NI: Northern Ireland; TU: trades union; Fr: France

Policy field	<i>Economic</i>	<i>European</i>	<i>International</i>	<i>Industrial</i>	<i>Machinery of government</i>	<i>Northern Ireland</i>
Type of consequence						
Macmillan 1959-1963						
unwelcome		De Gaulle veto [system: Isl in Fr]	Southern Rhodesia [actor H: bias for integrated rule-based solution in Federation; system: negative feedback: Enc in Rh] *Cancellation of Skybolt November-December 1962 [system: positive feedback: H in US]	Early crumbling of the 'pay pause' 1961-2 [actor H: bias for orderly moved from simple rule to informal rule-based order; system: negative feedback: Enc in TUs]		
welcome	Avoidance of either serious recession or really major sterling crisis [system: multiple]		Kennedy's decision to allow Britain right to acquire Polaris Nassau December 1962 [system: Ind in US]	Dock strikes ended without use of emergency powers [system: informal H vis-a-vis TUs]		
Wilson 1964-70						
unwelcome	*Depth and urgency of the October 1964 sterling crisis [actor: although largely exogenous, small element of self-fulfilling prophecy from election campaign statements; system, negative feedback: Ind in markets]	De Gaulle veto 1967 [actor Ind: bias for bilateral negotiation; system, negative feedback: Isl]	Failure of Kosygin talks London 1967 [actor Ind: bias for bilateral negotiation; actor; system, negative feedback: Ind and Isl in US and USSR] Speed at which deep 'East of Suez' cuts had to be made [actor Ind: bias for confidence that could be postponed by negotiation] Failure of the <i>Tiger</i> talks on Rhodesia	Depth of TU and Labour committed opposition for In place of strife [actor Ind: bias for negotiation with TUC; system, negative feedback: Enc in TUs]	Failure of DEA [actor Ind: bias for inter-ministerial bargaining; system, positive feedback: H in civil service and esp in Treasury]	Outbreak and escalation of conflict 1968-9 [actor H neglect on assumption delegation to Stormont government stable; system, positive and negative feedback: Enc in NI]

			[actor Ind: bias for bilateral negotiation: system, negative feedback: Enc in Rh]			
welcome	Improvement in balance of payments by 1970 after January 1968 measures [actor Ind/H: bias for protracted internal bargain over Jan 68 budget and thereafter Treasury authority to establish credibility; system: Ind in markets]		UN resolution 242 [actor & system Ind: commitment to diplomacy to find form of words for short-term solution]			
Heath 1970-1974						
unwelcome	Levels of British industrial investment 1971-3 [Actor H: bias for expectation of predictable response to framework, irrespective of conditions; system Ind: responded to short-term incentives for asset investment rather than long term capacity where turbulence deterred] *Oil price shock 1973 End of boom 1973 [actor H/Is: bias for assumption that fiscal / monetary / counter-inflation framework imposed conditions for sustained growth]	Deadlock at Copenhagen EEC summit December 1973 [actor Isl: bias for insistence; system: Enc in some EEC countries]	* India-Pakistan war 1971 and UK-US tension * Yom Kippur War and US expectations of UK * 'Year of Europe' [system: Ind / Isl in US White House and State Department]	IRAct 1971: TUC non-registration Miners' strike 1972 Rail dispute and IRAct 1972 Pentonville Five 1972 Inability to prevail in miners' dispute and strike 1973-4 [actor Isl: bias for imposition to pass on macro-constraints on government in micro-constraints on trades unions; system, negative feedback: Encs in TUs]	Limited impact of PAR and ZBB [actor H: bias for rule, method and procedure; system H/Is: capture, gaming, representing existing practices as conforming without making substantive change]	1971 Internment failure and provocation; 1972 'Bloody Sunday' [actor Isl: bias for constraint imposition to establish control]
welcome	Limited adverse impact of floating pound 1972-3 [system: Ind in markets]	Pompidou's willingness to agree to British accession [system: Ind in Fr]		Acquiescence of several key TUs in Phases I-II of incomes policy [system: H/Is over TUs]		Sunningdale agreement [actor Ind in Whitelaw's office and operation in Stormont]