

**Sonia M. Ospina and Rogan Kersh, Editors**

**Stefan Verweij**

University of Bamberg, Germany

**Book Reviews**

# Beyond the “Government-versus-the-Market” Debate: How the Complexity Sciences Should Inform Policy Making

*David Colander, and Roland Kupers, eds., Complexity and the Art of Public Policy: Solving Society’s Problems from the Bottom Up. (Princeton, NJ: Princeton University Press, 2014). 320 pp. \$29.95/£19.95 (hardcover), ISBN: 9780691152097.*

In her book *Systems of Survival* (1992), Jane Jacobs showed the incompatibility of the “commercial syndrome” and the “guardian syndrome.” The first represents market values and the latter those of government. She explained in a very elegant way how the different moral foundations of the market and government result in a contraposition of both. If the two syndromes would be combined—that is, if markets start behaving like government, and if government starts running production and trade—you end up with “monstrous hybrids.” An example of the first is the mafia; an example of the latter is communist planning. We can safely say, as history told us, that neither works. Still, we need both markets and governments to tackle contemporary complex problems, but in a symbiotic way. Jacobs concluded: “Some other civilizing agent must therefore be necessary. This, I now think, is the guardian-commercial symbiosis that combats force, fraud, and unconscionable greed in commercial life—and simultaneously impels guardians to respect private plans, private property, and personal rights” (1992, 214).

It seems that many decision- and policymakers have missed or misunderstood Jane Jacobs’s important message, as many policy discussions are polarized in a “leave it to the market” or “let government take care of it” manner. Should healthcare in the United States be market-provided or government-provided? To combat climate change, should government intervene with top-down control, or should the market be trusted to correct for climate change by itself? Should certain social services be provided by governments, or should they be privatized? Polarized policy discussions are, argue Colander and Kupers in *Complexity and the Art of Public Policy*, a hugely unhelpful policy compass for solving today’s problems. Rather, “policy necessarily

involve[s] both government and the market working together” (4). In fact, “without government, we wouldn’t have markets as we know them, and without markets, we wouldn’t have government as we know it. They are symbiotic and coevolving. As such market and government cannot be a polarity for the policy compass” (9–10). Although Colander and Kupers do not discuss the work of Jacobs (1992), they too stress the importance, in fact the necessity, of the market and the government symbiotically working together. In their book, they argue that the polarized discussion should be replaced by “policy that follows from taking a complexity frame,” which they call “laissez-faire activism” (8). In laissez-faire activism, the government’s role is to design and create an ecostructure that allows laissez-faire policy to develop. Or, in other words, to focus on metapolicy that allows problems to be solved from the bottom up. That is the goal of the book, to set the agenda for laissez-faire activism and policy.

The book is organized in four parts. In the first part, the complexity policy frame is introduced, arguing that the standard policy frame has important limitations. In the standard policy frame, discussions focus on the standard policy model—where the role of the government is to correct for market failures—versus the market fundamentalist model—which sees the market as self-organizing and uncontrollable and thus state interventions as undermining the market system. Both the standard and market fundamentalist policies are based on unrealistic assumptions about how policies work in reality, which often makes them ineffective or effective only in the short run. In the complexity policy frame, instead, government and market are seen as coevolving. This more realistic understanding reorients the polarized discussion toward the more sensible question as to how market and government may symbiotically work together to solve complex issues in society. It focuses on the question of how a social ecostructure can be developed “in which individuals, or collections of individuals, solve problems from the bottom up, without the use of a

**Stefan Verweij** is assistant professor at the Department of Political Science at the University of Bamberg (Germany). His work focuses on complexity, evaluation, governance networks, project and network management, public-private partnerships (PPPs), and qualitative comparative analysis (QCA). He has published on these subjects in various journals such as *Evaluation*, *Public Administration*, and the *International Journal of Project Management*. He will receive his PhD at Erasmus University Rotterdam, The Netherlands in 2015.  
**E-mail:** stefan.verweij@uni-bamberg.de

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central coordinator” (61). In this frame, an important role of the government is to influence the norms in society in such a way that fewer or no market failures are produced, and where solutions emerge bottom up. Government in the complexity frame is less directly involved in concrete policies and more in metapolicy. Complexity provides the authors with the argumentation for laissez-faire activism that can stimulate laissez-faire policies.

In the second part of the book, Colander and Kupers place their complexity frame in its historical context. As they explain themselves, their frame, basically, does not introduce new ideas or notions. The authors describe how early Classical economists—e.g., John Stuart Mill, John Maynard Keynes, and Friedrich Hayek—understood the complexity that economic policies had to deal with; the Classics were aware of the restrictions of the mathematics that they used in their models. However, this awareness faded as time passed; economic models turned into scientifically proven models, hence policies. Colander and Kupers use complexity science to bring back again the nuances in economic policy theories that the early Classical economists already understood.

The third part provides various examples of laissez-faire activism and policy. A key message is that government better practices “influence policy” instead of “control policy.” It means that decision-makers and policymakers need to be concerned with metapolicies that provide a social ecostructure in which solutions to complex problems emerge from the interactions between individuals and groups. Such solutions are in the end more effective and sustainable. This does require, however, a strong government in the sense that it is able to restrict its own role and power in policy to influencing norms, instead of wanting to control processes in society. An example that Colander and Kupers discuss in more length is the notion of for-benefit-enterprises. These are a “new institutional form that blend[s] the social motives of a nonprofit with the financial sustainability motives of a for-profit. They are voluntary, not mandatory, organizations that are formed by people to achieve their social ends. (...) The government’s role involves making the legal and institutional structure friendly to the development of these for-benefit enterprises” (219).

In the fourth and final part of the book, the authors arrive at the important question of how laissez-faire activism might be achieved. This is a very difficult question, because Colander and Kupers are arguing that the political system needs to change its own role in policy making, which will often imply taking unpopular decisions. For instance: not intervening when the public does ask for it, so as to let bottom-up solutions emerge, which are more sustainable. The authors’ answer to the question: complexity

education. This education needs to be interdisciplinary; it needs to integrate economic and humanist thinking. The economists have had a strong voice in policy making. This is because their simplistic mathematical economic models, which seemed more scientific to policymakers because of the math, could not be rebutted by humanist social scientists. Indeed, the latter often lacked the mathematical knowledge and skills to do so. The humanist perspective is important, though, because it can bring back the nuances once present in the work of the Classical economists. The authors are realistic and do not expect their proposed interdisciplinary curriculum to be immediately implemented, but they put it forth to stimulate their agenda—and the complexity science agenda—on the necessary integration of social sciences.

Of course, Colander and Kupers’s book is not the first to discuss complexity science for public policy (cf. 6, 12). Complexity science—or “complexity theory” or “complexity thinking”—is gaining traction in public administration, policy, and management. The last couple of years, an increasing number of books have been published (e.g., Dennard, Richardson, and Morçöl 2008; Gerrits 2012; Geyer and Rihani 2010; Morçöl 2012; Rhodes et al. 2011; Room 2011; Teisman, van Buuren, and Gerrits 2009), special issues have appeared (Landini and Occelli 2012; Meek 2010; 2014; Morçöl 2008; Teisman and Klijn 2008), and even dedicated journals recently saw the light (Hadzikadic 2014; Morçöl, Teisman, and Gerrits 2014).

In comparison to many of these works, Colander and Kupers’s book is less explicitly directed at complexity academics and researchers in these fields, in terms of proposing a conceptual framework or a set of methodologies for research purposes. Moreover, their work is not explicitly grounded in the public administration literature. This does not mean that Colander and Kupers’s book is less grounded in complexity and economic policy literature. The argument for laissez-faire activism is well informed by insights offered by complexity science. The above description of the book’s content is thus not meant to portray the book’s line of argument as superficial. Colander and Kupers are in fact quite nuanced in their argumentation, more than this book review allows expressing. In my opinion, they have succeeded in providing a convincing argument for why and how complexity science should have a much bigger role in (thinking about) policy making. The book is attractively written, well organized and articulated, and it provides various interesting and topical examples to illustrate the arguments.

The authors do stress various times that complexity science is mathematical, that “it explores highly interconnected systems mathematically” (6). They draw

the implication from this mathematical nature that humanists need to acquaint themselves with math so as to contribute to developing a more complexity-informed policy debate. However, as evidenced by the book and special issue references above, complexity science is not necessarily mathematical. Many scholars in public administration, policy, and management research complex systems without math, using concepts such as those explained by the authors in their fourth chapter, and applying non-mathematical methods as well. A more striking feature of complexity science is its explorative, pattern recognition focus, and looking for the “replicator dynamics” (e.g., page 52) or mechanisms that produce these patterns, instead of a focus on deductive hypothesis testing. The authors do recognize this feature of complexity science, but not the point that exploring patterns and underlying mechanisms can be done in many ways; it does not necessarily have to involve complex math and agent-based modeling (e.g., Byrne and Callaghan 2014; Gerrits and Verweij 2013). The point is that, hence, complexity science can be relevant for policy and administration in other ways than Colander and Kupers’s complexity education proposal as well. Of course, as the authors also argue, it remains to be seen whether or not policymakers will buy the argument for laissez-faire activism when it is not supported by complex math. But the same goes for laissez-faire activism that is supported by math.

Although *Complexity and the Art of Public Policy* can be relevant for public policy or administration scholars, in the sense that it provides a meta-lens for understanding the coming about of public policies, the book caters more to policy- and decision-makers. In that respect, the authors aimed to make the argument for complexity-informed policy making, an aim they succeeded to achieve. Colander and Kupers’s laissez-faire activism may well be the “civilizing agent” Jane Jacobs was looking for.

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