Comparing Blunders in Government

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Abstract

Much attention has been paid to 'blunders' and 'policy disasters'. Some argue, on the one hand, that the UK's political and administrative system is disproportionately prone to generating disasters, but offer no systematic evidence on the record of failures of policies and major public projects in other political systems. On the other hand, research on cognitive biases and other failures of collective decision-making has developed highly generic frameworks that are used to assess cases of perceived policy failure. Both of these perspectives rely on post-hoc assessments of failure and intentions, often from those actors involved in the process. This paper develops a comparative perspective on 'blunders' in government. It does so by (a) developing theory-driven expectations as to the factors that are said to encourage 'failure', and (b) by devising a systematic framework for the assessment of policy processes and outcomes. The paper applies this novel approach to a set of similar 'failures' in particular domains (i.e. in public buildings, transport infrastructure, IT projects, benefits/tax systems, and aerospace/defence projects) to assess whether different political-administrative systems are prone to different kinds of 'blundering' or whether there are universal patterns in the occurrence of costly and avoidable policy mistakes across policy domains.

Paper for the UK Political Studies Association annual conference, Sheffield, 2015

Why do governments blunder?

Political science is inherently interested in the question as to why things go wrong in government. Ranging from the 'adversary politics' hypothesis concerning British politics (Finer 1975), to studies of implementation (Pressman and Wildavsky 1973) to the more comparative attempts at explaining 'policy fiascoes' (Gray and t' Hart 1998), scholars have been pre-occupied with identifying policy episodes perceived as cases of poor performance characterized by flawed planning and management. These episodes are typically considered in the light of their particular political features or context. An earlier example might be the call for a German-type administrative system by Woodrow Wilson (1887) which was seen as a remedy to advance the administration of the emerging US political system. This text was 'discovered' in the 1920s when, again, the capacity of the US political system was under challenge. Regardless of era, the conclusion of these various accounts of blunder-prone government is, in turn, advocacy of political regime change. For example, changes in electoral systems are put forward to encourage change in political style, administrative reform, such as calls for more 'Weberianism', is seen as enhancing quality, or calls for wider changes in the political economy of particular countries are seen as essential in advancing economic performance.

Among the most recent, and prominent incarnations of this interest in the question of 'why we are so badly governed' is King and Crewe's (2013) *The Blunders of our Governments*. Their account suggests that well-intentioned individuals are inevitably led down the path of policy blundering as the British political system discounts deliberation and over-centralises executive power. In doing so, they stand in a long line of accounts that suggest that policy-making in Britain is let down by its own constitutional features. As noted, this tradition can be traced back to Finer (1975; also see Hailsham 1976) who suggested that the tendency to strong one-party government led to continuous U-turns and policy reversals (which, empirically, however remained rather elusive), as governments tend to pursue partisan agendas to satisfy activists and party elites. More recent formulations of this argument are Dunleavy with his unique brand of commentary criticising the Westminster system as offering the 'fastest law of the west' and an incomplete set of checks and balances (Dunleavy 1994) and Moran's (2001; 2003) analysis of political and institutional causes of policy catastrophes in the age of *The British Regulatory State*. What is common to this tradition of thinking is the view that the British political system is prone to large-scale, avoidable and

expensive policy mistakes which stem from over-confidence, ambitions of high politics, and the clubbish nature of decision-making across governing institutions.[1]

The problems with the literature on government 'failure' and 'blunders' are multiple. Take the literature on the British state and its multiple diagnosed failings as an example. First, the literature usually reflects on the political position of the author within the British political system. An emphasis on blunders and other dysfunctionalities of the British political system are typically put forward by those sceptical of the majoritarian characteristics of the Westminster system. Second, the frequent recourse to anecdotal reminiscence of key actors, rationalizing their own role in decision-making *after the event* is arguably flawed as a method. Regardless of method, a pure reliance on the wisdom of hindsight may betray the uncertainties that shaped the context of decision-making. Third, assertions are made that Britain's political system is particularly blunder-prone - without offering real (or any) comparative evidence, a point originally made by Gray (1996). In other words, the implied argument is that different political systems are in some kind of 'blunder'-race with Britain leading the way, whereas other countries subject to more 'gridlock' (or more consensual styles of politics) are lagging behind and enjoy greater policy success (or at least fewer catastrophic failures). However, it is not clear whether Britain is lonely at the top when it comes to government blundering and dysfunction. For example, readers of Hacker and Pierson's (2010) *Winner-Take-All-Politics* might similarly suggest that the US system is particularly flawed (and arguably with more highly significant societal consequences), while Jones and Baumgartner (2005) point to the erratic pattern of political attention across institutions. Fourth, what is actually a blunder is also difficult to define as relevant time periods are hard to establish /define, and official and intended outcomes may conceal other motives and side-effects. Peter Hall's (1980) seminal *Great Planning Disasters* opened with the example of the blunder-ridden construction and public financing of the Sydney Opera House, before acknowledging that the project ultimately had been a great triumph when measured against more subjective and long-term iconic grounds. Finally, the reasons for 'blunders', 'disasters', 'fiascos', 'catastrophes' and 'failure' are rarely investigated in any major systemic way; at best, lists of the different 'failure mechanisms' are presented and then associated with a variety of cases.

[1] Somewhat differently, in the 1970s, it was argued that it was the lack of capacity of the state in being able to govern the economy that explained the British relative decline and the absence of major projects. This was either due to 'overload' or due to the lack of linkages between government and finance/industry (King 1975; Hayward 1976).

This is not to say that we dispute the diagnosis of 'failure', 'fiasco' or 'disaster' in any one particular case. We also do not want to appear as apologists for one particular political system over another; however. Instead, the following should therefore be seen as a call for a genuinely comparative analysis of the cases, and therefore identification of particular mechanisms. Whether political systems appear to generate more or less, or particular types of failure is, ultimately, an empirical question.

THEORETICAL PERSPECTIVES ON GOVERNMENT BLUNDERING

In the following discussion, we develop four complementary perspectives on governmental and policy 'blundering'. As starting point, we assume that decision-making always takes place under conditions of ambiguity and uncertainty. In other words, we assume that probabilities of particular events occurring cannot be easily calculated, and neither can their impact. Decision-making processes are characterised by pre-existing norms and worldviews, fluid participation, and strategic and self-interested actors. Furthermore, we assume that most decision-making in government deals with 'wicked issues' (Rittel and Webber 1973), they are inherently about value trade-offs and multiple contradictory dimensions and objectives. In order to explore different dimensions of blundering we distinguish between sources of blundering on two dimensions. We distinguish between those sources for blundering according to whether a lack of resources or a high degree of resource depletion can be associated with blundering. Furthermore, we can distinguish sources for blundering in terms of whether supposed blunders are caused by the (tragic) choices of individuals, or by actors whose actions are channeled through the inherent characteristics of politico-administrative systems (such as the 'Westminster system'). Table 1 points to these two dimensions and the four resultant sources for policy blundering. We explore each of these four perspectives in more detail below.

Table 1: Four Types of Government Blunder

	No Resource Issues	**High Resource Issues**
Blunder due to particular choices	Hyper-Excited Politics	Instrument Choice
Blunder due to underlying structures/systemic features	Constitutional System	Administrative Capacity

The four perspectives on blundering point to various reasons as to why policy decisions can go 'wrong'. In the case of hyper-excited politics the source of failure lies in intentional choices by individuals or groups of individuals. This choice is associated with 'moral panics', Pavlovian politics and other external pressures that make politicians and official rush policy announcements only to repent at leisure when these commitments turn out to be counter-productive, more costly than expected, fail to achieve intended outcomes, or generate no interest (see Cohen 1972; 2002; Lodge and Hood 2005; Breyer 2003; Sunstein and Zeckhauser 2011). Examples include policy over-reactions to perceived risks such as mobile phones or high profile announcements to provide public funding for flood victims which are never taken up. Similarly, the context of iconic or symbolic politics is often associated with hyper-excited blundering (Moran 2001; Jennings 2013). Politicians (and senior administrators) in the realm of high politics are motivated by the possibility of creating signature projects or legacies (whether this is in terms of buildings, enduring reforms to welfare or tax systems, events or other high-profile projects) and, therefore, are prone to optimism bias in discounting potential disadvantages and costs. Specifically, 'fast-thinking' (Kahneman 2013) by key decision-makers acting under political pressure may make them vulnerable to cognitive biases, such as disproportionately 'locking-on' to particular bits of information (see Jones 1994 for a wider discussion of bounded rationality in policy-making).[2]

Blundering due to particular features of the constitutional system is often put forward as accounting for the record of failure in British central government (see Dunleavy 1994; King and Crewe 2013), as noted earlier. Similarly, the wider literature on 'credible commitment' and 'veto points' has suggested that some political systems are more likely to witness policy reversals than others, and therefore to be more prone to U-turns and other policy inconsistencies (e.g. Weaver and Rockman 1993; Pierson 2001; Tsebelis 2002). The propensity towards 'strong government' is seen as problematic as it reduces deliberation opportunities and therefore also the information available to decision-makers, as well as failing to check over-enthusiastic and over-confident executives. Elsewhere, Janis (1972) famously notes insularity of collective decision-making as a source of blundering in foreign

[2] Note that this view of 'fast' and 'slow' thinking is disputed. In areas of genuine uncertainty, fast thinking (or heuristics) is the superior strategy. It might be argued that the large scale projects represent a large series of loosely coupled and decentralised decisions, made under conditions of ambiguity (i.e. uncertainty). However, initial choices in terms of embarking on a particular mega-project might be seen as somewhat different to genuine choices in uncertainty that might apply to financial meltdowns, natural catastrophes or military invasions, for example.

policy although this insularity was arguably less a result of the constitutional system. While, therefore, majoritarian systems are seen, especially from a British perspective, as problematic, a similar case can be made for consensus systems. Here, the need to bargain and seek consensus is seen as delaying decisions, requiring side-payments and pork-barreling, and slowing down the business of government.

Instrument choice as a source of blundering is associated with explanations that suggest the 'wrong tools for the job' have been chosen for the policy problem or objective in question. Here blunders are caused, or could be avoided, because an inappropriate or sub-optimal method, such as a regulatory standard or economic incentive (e.g. taxes, subsidies) is chosen to achieve the desired effect. Policy instruments differ in terms of their degree of 'coerciveness' and 'depletability' (Hood 1983; Hood and Margetts 2007). For example, using advertising campaigns to change behaviours is somewhat 'cheaper' than extensive policing, backed by a highly punitive enforcement approach. Similarly, the use of highly punitive and visible punishment might not just require the creation of a particular enforcement machinery, but it is also likely to trigger resistance and avoidance, requiring, in turn, further repressive organisational tools. In other words, the less the degree of social acceptance of the chosen policy and its instruments, the more likely it is that there will be extensive gaming and counter-learning (Hood 1976). Furthermore, the use of long-term fixed contracts, such as in the case of public-private partnerships, may shift the financial burden from current to future generations (something which could interact with cognitive biases, such as the hyperbolic discounting of future costs). Indeed, instrument choice also links to wider organisational features, namely the dispersion of responsibility for particular activities. Hood (1976) has noted problems associated with 'multi-organisational sub-optimisation' -- where the activities of multiple organisations across multiple domains are interdependent without necessarily being aware of, or sharing, each other's objectives. Similarly, Pressman and Wildavsky's (1973) classic implementation study noted how the 'wrong' instrument, namely one with too many 'clearance points' was inevitably leading to a disappointing policy outcome.

Finally, blunders are often associated with a lack of administrative capacity. Administrative capacity is related to bureaucratic organisation and competence. This factor therefore differs from instruments in that the latter relate to the resource implications of particular modes of policy intervention. Administrative capacity, in contrast, relates to the skills and capabilities that are expected to exist within bureaucracies. In other words, a lack of administrative capacity is defined by the unavailability of relevant and suitable skills within public and

private organizations, issues with communication and co-ordination within and across organisations in the design and delivery of policies, and the ability to monitor ongoing policies and projects. Information-gathering, - sharing, and -processing are inherently demanding and resource-intensive, especially in the context of governments' scarce attention (see Jones and Baumgartner 2005; 2014). A lack of co-ordination capacity might be said to lie at the heart of failures of collaboration between different government agencies and private and para-public bodies. Co-ordination capacities are also at the heart of problems of 'turf' in government. For example, silos in cross-agency intelligence sharing were identified by the *9/11 Commission* as a key factor in the failures that led to the attack on the US on September 11th. Elsewhere, in the British context, Dunleavy (1994) identifies the loss of institutional memory due to an almost never-ending cycle of administrative restructuring and reform as a major limit on administrative capacity. A lack of administrative capacity might also be linked to a lack of staff in policing certain activities (such as undertaking food inspections).For example, a lack of civil service expertise in *procurement* is often attributed as a factor in cost overruns in major IT projects and large defence contracts (e.g. Margetts 2012).

More generally, one can distinguish administrative capacity in a variety of types: (i) regulatory, (ii) delivery, (iii) co-ordination, and (iv) analytical (Lodge and Wegrich 2014). Accordingly, blundering may emerge due to (i) dysfunctional oversight activities, (ii) insufficient resources to engage at the policy frontline, (iii) an inability to bring together and maintain a diverse set of actors, or (iv) failures of imagination due to a lack of technical capacity to process information and forecast trends.

How does this framework for analysis differ from existing studies of blundering governments? The preponderance in the literature places the state and the underlying constitutional framework at the heart of its analysis. For Dunleavy (1994), for example, the 'fastest law in the West' facilitated the passage of major public sector reforms, therefore, worsening the potential effects of determined decision-making within a more or less veto-point free context. For Moran (2001; 2003), the 'incomplete penetration of the regulatory state' logic within the informal logics of the Westminster system has generated its own dysfunctionalities and 'catastrophes'. For King and Crewe (2013), the constitutional system facilitates rather than hinders over-excited politicians and civil servants. We do not suggest that such reinforcing processes do not matter, but we suggest that in order to establish whether the 'constitution' is to blame, we need to focus on these aspects in more detail, and cross-nationally, in order to understand the nature of hyper-excited politics in non-

Westminster systems. We also need to better understand the role of instrument choice, administrative capacity and hyper-excited politics, in order to assess the contributing or enabling role of the constitutional setting of policy blunders.

A METHOD FOR ANALYSIS

How might one approach analysis of the conditions associated with policy disasters? Given that even in apparently blunder-prone settings policy disasters are relatively rare events compared to the usual politics of the mundane, it is necessary to find a way of sampling them. One option would be to examine the properties of all policies of a given government for a defined period, evaluate which might be considered disastrous against a defined set of criteria and then record the associated set of contributing factors that led to the blunder. This would enable us to consider how blunders differ from the wider population of policies that are less (visibly) problematic. Such an approach would be highly resource intensive, however, since policy disasters make up just a small proportion of the overall population, and because collecting comparable data for all policies would be impractical. In order to properly understand the causal factors leading to each disaster one would need to conduct some sort of process-tracing on each case. It would also require us to compare disasters within populations of policies across multiple systems in order to determine whether constitutional design features are a source of blundering. Unlike comparative studies of outcome factors, such as cost overruns (e.g. Flyvbjerg et al. 2002), we cannot simply use indicators to determine the underlying cause of policy failure. It quickly becomes apparent, then, that a classic comparative study is out of the question. What are the alternative options? The problems of selecting on dependent variable are well-established (Geddes 1990; King et al. 1994), as this gives rise to no-variance in the outcome variable. For our purposes, however, examining a sample of prominent policy disasters from across a range of contexts provides a test of the *necessary and sufficient conditions* (Dion 1998) for the occurrence of policy disasters. In other words, selecting a set of known blunders as our case enables us to determine whether there is an observable pattern of contributing factors that reveal similarities or differences across a range of contexts and underlying conditions. Our cases are, therefore, drawn from a number of policy domains and countries. First, while there is no single agreed definition of blunders, disasters, fiascos or catastrophes, what is shared across most studies is the sense that these are large-scale, foreseeable errors/mistakes of either omission or unintended consequences (see Hall 1980; Gray 1996; King and Crewe 2013). We therefore identified cases which might be categorised as having been ‘disastrous’ in terms of cost and time in the following sorts of public policies or projects: (i) public buildings and stadiums, (ii) transport

infrastructure, (iii) IT projects, (iv) benefits/tax systems and financial regulation, and (v) aerospace/defence projects. Admittedly, none of the decision-making in these cases is likely to have directly caused death or disease. These areas are also somewhat different to other examples of 'failure', such as 'poor' regulation, military adventures, or misdirected, complex welfare programmes. Additionally, the *severity* of blundering varies considerably across the cases, which range from extreme outliers in terms of completion and cost overruns to modest failures of management or decision-making that incurred smaller costs but rather more in the way of political embarrassment. Our cases are accordingly given a score between 0.0 and 1.0 for the *degree of blundering* that was involved. This is not purely a measure of losses since it is impossible to calculate a universal unit of policy disaster (i.e. is a 50% cost overrun better or worse than a one year delay in project completion?). Rather it indicates the overall severity of the failings of planners and managers (such as the extent to which cost inflation was foreseeable or the frequency with which warnings were missed).

Our cases were drawn from six countries: Britain, France, the US, Germany, Canada, Australia; with some of the policies falling under the jurisdiction of national government and others being controlled by subnational, regional or local government. Through this selection of countries, we are able to observe the factors associated with policy disasters across federal-presidential and semi-presidential systems, and in unitary- and federal-parliamentary systems. This approach allows us to test whether the presence or absence of particular conditions (i.e. instruments, system-features, hyper-excited politics or administrative capabilities) is common across all cases. This will further enable us to demonstrate the degree of contingency associated with government blundering if common patterns are not observed. It also will enable us to determine whether particularly severe policy blunders are associated with particular causes whereas more modest blunders are associated with a different set of conditions.

Categorising Hyper-Excitement, Instruments, Constitutional Systems and Administrative Capacity

Having identified a set of cases we classify each of the conditions associated with the occurrence of policy disaster. Was hyper-excited politics involved? What was the instrument chosen to deliver the policy? What features of the constitutional system exacerbated or restricted the blunder? Where the capabilities of bureaucrats at fault? This requires us simply to determine whether or not a particular factor is present in the case of a given policy disaster. For each case, then, we complete the relevant information for each of the quadrants in Table 2

(see below). Having addressed this dichotomous question, we then assign a *weight* to the variable (taking a value between 0 and 1.0) which provides a subjective evaluation of how significant the factor was in leading to the blunder. This draws upon Ragin's (2000) method of *qualitative comparative analysis* (QCA). On the basis of inspection of contemporaneous accounts and subsequent inquiries, this serves to indicate how much each factor contributed to the policy disaster. As we will show, not only does this enable systematic comparison across cases it also enables the identification of multiple permutations of combinations of covariates that are associated with a particular output value.

Table 2: Examples of Four Types of Government Blunder

	No Resource Issues	**High Resource Issues**
Blunder due to particular choices	*Hyper-Excited Politics:* Short-term political response to a tabloid newspaper campaigns Political backing for a project designed to win over voters Ideological preference for a programme of privatisation leads to disregard of evidence and/or opposition Project seen as a legacy for the politician making the decision to adopt or abandon it	*Instrument Choice:* Use of a private finance initiative imposes a long-term financial burden on government Public/private partnership creates moral hazard where government bears the financial risk Reliance on private financing for a high risk venture with uncertain revenues
Blunder due to underlying structures/systemic features	*Constitutional System:* Policy/project not subject to sufficient checks and balances Fast-tracking of legislation possible due to the political system Complex political distribution of responsibility between national and local government creates ambiguity in implementation and blame avoidance behaviour	*Administrative Capacity:* Bureaucrats inattentive to the development of problems with a project. Lack of capacity for subjecting initial budget forecasts to scrutiny. Government reliant on private firms and industry sectors for delivering/administering policy (e.g. security for major events)

QUALITATIVE COMPARATIVE ANALYSIS OF TWENTY-THREE POLICY BLUNDERS

As noted, we focus on a range of cases that have attracted the label 'failure' and 'disaster'. These range from transport infrastructure, defence, IT systems to financial regulation and

public buildings. In the following, we do not provide for a blow-by-blow account for each of the individual cases. Rather, we focus solely on the four potential explanations, outlined above. Details of the cases are summarized in the Appendix Table A1.

Hyper-excited politics

As noted already, hyper-excited politics are associated with media pressure, moral panics or some form of over-enthusiastic commitment towards a particular policy or project. While none of our cases represents a 'Pavlovian' response in the sense of policy (over) reacting to repeated incidents, there is nevertheless considerable evidence of politicians or governments making decisions in view of leaving a potential 'legacy'; what Flyvbjerg et al. (2003) call a 'monument complex' and what Moran (2001) calls 'iconic politics'. This is particularly the case with infrastructure projects, such as the Berlin airport or the Hamburg and Sydney concert halls. In the cases of the Sydney Opera House, Australian Parliament House, Millennium Dome and Scottish Parliament at Holyrood, political keenness to get projects off the ground before designs had been finalised or properly assessed was a factor in cost overruns and subsequent problems experienced in development of the project (in the case of the Dome, which largely came in on budget, it meant that the structure was built with little idea of the exhibition that would eventually fill it). President Mitterrand's ambition to construct a national library as part of a series of 'Grand Projets' across Paris was similarly legacy-driven. Indeed the contract for le Bibliotheque Nationale de France was written in such a way as to ensure no future president could alter the plans (Fitchett 1995). In addition, the prospect of winning the right to host international mega-events, such as the FIFA World Cup or the Olympic Games, are often a trigger for hyper-excited politics as bids make over-optimistic forecasts of costs and economic benefits (Preuss 2008; Jennings 2012a; 2012b). Of our cases, both the London and Montreal Olympics were entangled with high politics and the aspirations of leaders at the national or local level to host grand spectacles. The Sochi 2014 Winter Olympics was similarly conceived as a legacy for President Putin (Hille 2014) and to showcase modern Russia, with costs spiralling to $50 billion. While political enthusiasm might be a factor in the cases included in this study, it does not explain why politicians are able to mobilise support for some bids, but fail to do so for others; such as the decision by the Norwegian city of Oslo to withdraw from the competition to host the 2022 Winter Olympics. At best, hyper-excited politics in the case of mega-events as well as large-scale technical systems seem to require some encouragement from businesses, sporting authorities or other organised interests. Finally, many policy blunders are linked to policy-makers pursuing legacies that offer a symbolic political statement: such as providing a clear signal that

devolution was irreversible through the construction of the Scottish Parliament (Fraser 2004, p. 418), and the desire of the British and French governments to demonstrate their technological and engineering prowess through the Concord project in the 1960s. The same can be said about the German Transrapid project. This magnetic levitation-based technology was widely promoted as a 'technology of the future' that would also offer export opportunities to German industry, once a German service had been into operation. Eventually, no link was every built in Germany, but the continued political support for such a technologies whose advantages were increasingly reduced by cheaper air-traffic and incremental advances in traditional rail technology points to a degree of hyper-excited politics.

Hyper-excitement might therefore be a critical factor in defining the context in which decisions regarding major projects or policies are taken. This matters for the classic problem of 'optimism bias' (Flyvbjerg et al. 2013), which can lead to the adoption of risky projects and systematic under-estimation of project costs. Furthermore, hyper-excited politics also matters in terms of processes of project management throughout the construction process. The Sydney Opera House and Hamburg philharmonic orchestra building both suffered as a consequence of political excitement regarding the ‘uniqueness’ of the original architectural designs which led to considerable cost overruns. The use of pioneering construction techniques for Montreal's Olympic Stadium likewise contributed to the cost overruns (COJO '78). Similarly, the British-French inter-governmental agreement for the Concorde project meant that an inherently uneconomic project was persisted with despite its costs rising (indeed the project gave rise to the term the ‘Concord fallacy’ to describe the escalation of commitments despite negative consequences. In turn, the high political excitement regarding the Millennium Dome, with the ambitious claims of the Blair government that it would showcase a 'New Britain', did not lead to constructions problems, but arguably set the stage for wider criticism and political embarrassment. Somewhat differently, the desire to make a ‘statement’ regarding unification and relocation of the German capital to Berlin contributed to the conditions of the long drawn-out construction process of a new airport for Berlin. Indeed, the urge to appear ‘modern’ by advocating supposedly new public-private partnerships, and deliver a reduced burden for taxpayers, was also at the heart of other contemporary policy disasters, as illustrated in the case of TollCollect. Here, ministers were keen to illustrate their ‘modern’ way of policy-making via delegating the development of the toll-collecting systems for road haulage to the private sector. Despite this, the project suffered delays and legal disputes with the contractor. However, this contrasts with an example of eventual abandonment, namely the Transrapid.

Less evidence of hyper-excitement exists when it comes to the long-term defence projects among our cases. The Eurofighter project emerged in the context of the cold war, and was criticised for not reflecting on Glasnost let alone, even after 1989, the collapse of communism. The U-turn regarding the decision on the aircraft/carrier combination for Britain's Carrier Strike project resulted from a new government -- seeking to make savings for its austerity programme -- overturning a decision by its predecessor, only to later reverse its own decision as costs escalated.

In short, hyper-excited politics do not offer a complete explanation for policy disasters or blunders. Politicians in heat might prefer to engage in funding promises (such as for flood defences) or legislative and regulatory initiatives. However, when it comes to long-term projects, such as the kind of cases that are of interest in this study, hyper-excitement is typically linked to an appetite for making symbolic legacy commitments, presenting high-end technological fixes to supposed problems, and constructing iconic monuments, which leads in turn to over-optimistic statements regarding their viability and limited cost implications. This, in turn, sets the stage for a reluctance to reverse decisions and abandon projects.

Constitutional politics

As noted, one of the standard accusations is that political systems generate their own policy side-effects and dysfunctionalities. Majoritarian systems are said to generate 'fastest laws of the west', while consensus-based system encourage log-rolling and pork-barrels. Whereas Moran (2003) in his orchestral *British Regulatory State* notes several examples of dysfunctional dynamics involving the Westminster/Whitehall system, examples of blunders in consensus systems are less well-known. One prominent case, however, is the train station at Montabaur, Germany on the high-speed link between Cologne and Frankfurt which was largely a result of continuous lobbying by then Prime Minister Rudolf Scharping, then a fast-rising social democrat politician (Sorge 2007). The previously unknown town subsequently developed as a destination for commuters and also attracted business investment. A similar example is observed in the case of Britain's new aircraft carriers, in which industrial politics influenced lobbying over which shipyards would build different parts – which include Rosyth shipyard was in the neighboring constituency to then prime minister Gordon Brown – despite uncertainty over funding for the aircraft to accompany them (*The Scotsman* 2007), let alone type of aircraft. Clientelism can be a serious problem for the governance of large projects whereby contracts and public assets are exchanged for political support. In the aftermath of

the recent Sochi 2014 Winter Olympics, toxic assets financed by oligarchs have been transferred back to the state, with taxpayers footing the bill (Vasilyeva 2015).

However, in the cases of interest to our study, constitutional politics are remarkably absent: different political systems generate similar dynamics and results. The Sydney and Hamburg concert halls display rather similar dynamics despite emerging in rather different federal contexts. The new Scottish and Australian Parliament buildings experienced similar problems in procurement despite distinct political contexts. Some policy blunders emerge as a result of international politics, such as the Eurofighter, where British government-influenced (and Rolls Royce-driven) technical specifications added further to the cost basis of the project. As in the cases of the British aircraft carriers or Concorde, international projects potentially increased the reluctance to abandon projects, or to reject continuous project amendments.

Similarly, accusations of limited political oversight emerge across all political systems. One key example is the Berlin-Brandenburg airport with its shared political responsibilities, involving two Land governments (Berlin and Brandenburg) as well as the federal government. However, while such a shared mixed system was present in other cases, the basic problem reflected general failure in the oversight capacities of government when it comes to monitoring the activities of those in charge of constructing or operating major projects. Indeed, a shared characteristic is that projects seem to go 'off budget' mostly due to the complexity of the project management, rather than simply because of lack of political interest. Indeed, institutional structures are often in place for assurance, such as in the collapse of the West Coast Mainline rail franchise competition in Britain (Public Affairs Select Committee 2013, p. 8), but are not adhered to. Indeed, the UK government's Major Projects Authority reviewed the franchise competition and gave it a green rating. The Millennium Dome is something of an exception, with the decision to proceed with the project taken in Cabinet at the instigation of the Prime Minister – absent of proper checks and balances – and with the Millennium Commission overriding assessments by their accounting officer that further bailouts to the floundering project could not be justified on 'value for money' grounds (Moran 2001, p. 418). Overall, therefore, the cases under discussion do not display the kind of characteristics that would be predicted by the literature. Disasters occur in similar ways across constitutional systems.

Instrument Choice

A number of explanations exist as to why policy instruments can go wrong. One is the continuous complaint that politics is a continuous source for ongoing project modifications and scope creep. As a result, one key choice has been to create 'credible commitment' via contractual arrangements that impose costs on project changes. Those projects that are not associated with fixed prices or penalty clauses for contractors are seen as inevitable inviting cost increases. Indeed, one of the key charges in construction of the Sydney and Hamburg opera houses was that ongoing technical refinements to designs were waved through by project managers. Global economic shocks impacted on the costs of construction of Montreal's Olympic stadium and on private financing of the Olympic Village for the London 2012 Olympics (and the Vancouver 2010 Winter Olympics) where firms withdrew from the project until financial risks had faded. In contrast, the way in which iniitial contracts were written reduced incentives for later 'cheating' by contractors on Mitterrand's national library. The Australian Parliament House construction followed a 'fast track' procurement process similar to that for the Scottish Parliament (Fraser 2004; Audit Scotland 2004), which was ineffective in containing costs incurred by contractors. Most problems in instrument choices involve relationships with private firms, such as the volume of orders. Spiraling costs of production (e.g. Eurofighter) or rising prospective operational costs (e.g. Concorde) led to cancellations that, in turn, triggered calls for compensation payments by the industry.

The delay in the introduction of the TollCollect system led to considerable legal battles between the federal government and the private consortium. The project itself was eventually seen as successful overall and was, without much consultation, renewed in 2014 for a further three years (raising, in turn, concerns about the too close relationship with industry). However, an ongoing legal battle pitted the government, which required compensation for lost earnings, against the industry which objected to the federal government's decision to withhold payments in lieu of lost earnings. These legal proceedings began in 2005, were held in secret and remained unresolved at the time of writing.

Most of the processes covered in this study involved the creation of 'company'-type vehicles that sought to manage the process of organising the construction of the project in question. This sort of instrument was involved in the case of the Millennium Dome, Edinburgh's tram system, both the Montreal and London Olympics, the Channel Tunnel, the Scottish Parliament building, the Sydney Opera House, and the Hamburg concert hall. Few of our cases were undertaken within government directly (though the Bibliothèque nationale de France, Universal Credit and West Coast Main Line rail franchise competition are

exceptions). The key problem in these cases involved the capacity of these arms-length vehicles to manage highly complex processes and to make choices about when to inform political principals about delays and over-runs. The Berlin-Brandenburg airport was initially to be constructed by a private consortium, led by Hochtief. Following a court ruling declaring this initial tendering outcome illegal, the various governments were required to take on responsibility for the overall project, creating a company to manage the construction process. However, a high degree of contractual complexity across parties, the tendency to develop highly complex technical solutions and a lack of managerial oversight (and evidence of corruption) created the conditions for a policy disaster. The development of the Millennium Dome similarly led British government to create a private company to build and operate the national exhibition. A similar tendency towards complexity was evident in various IT disasters in the UK, for example (in a case not (yet) included in our list), in 2015 the online system of the Rural Payments Agency had to be turned into a paper-only system following technical problems and complaints.

It can also been argued that the case of the West Coast Mainline franchising episode represents an example of instrument failure, with perverse incentives generated by a complex franchising system that meant that the initial winning bid was encouraged to bid on highly optimistic terms with regards of future growth. While this was a convenient excuse (for the Labour party) to campaign for the abandonment of the particular franchising system that was governing the British railways in the 2010s, this particular episode was ultimately more a case of a lack of administrative capacities (see below) as well as about interdependencies with other high profile projects, namely a planned high speed train line. That is, it was alleged that over-optimistic assumptions were copied from the plans of the (troubled) high speed line and used for the franchising process.

More generally, the discretion to choose instruments is often severely constrained, in particular by EU state aid and competition rules. These added constraints and complexity, and therefore further sources for disaster (such as the Berlin-Brandenburg airport). However, it is difficult to suggest the contextual limits on instrument choice were solely ‘at fault’ for the extent of blundering we observe. Instruments therefore matter in the sense of introducing their own vulnerabilities and complexities; however, it is difficult to suggest that they were, in their own, responsible for generating policy disasters.

Administrative Capacity

As noted above, administrative capacity is associated with a willingness to challenge and scrutinise proposals – and to deliver them. Across all our cases, it can be questioned as to why senior officials and politicians did not ask more probing questions or scrutinize proposals more deeply. If one was to use only critical reports by the National Audit Office (NAO) to explore UK-based disasters, then one would easily get the impression that 'administration' was largely at fault. However, as the remit of the NAO prohibits it from commenting on political choices, one has to probe more deeply into the ways in which a lack of administrative capacity contributed to each blunder, beyond that of an initial political decision. For example, the West Coast Mainline rail franchising disaster was blamed on a lack of administrative capacity (see Public Accounts Select Committee 2013; National Audit Office 2012). Civil servants were suspended, the lack of financial resources to employ consultants was bemoaned, the modelling behind calculations was questioned, and the franchising process was challenged.

The implementation of the Universal Credit scheme to simplify the system for working-age benefits in the UK suffered badly from a high rate of turnover of senior leadership and a lack of IT expertise more generally, along with a 'fortress' mentality among the programme team (NAO 2013). Visitor and ticket sale forecasts for the Dome were also got badly wrong by planners (NAO 2000), while Home Office development of the identity cards scheme spent a substantial amount on contractors because it did not have "certain skill sets and resources necessary for implementation of a large and complex project such as Identity Cards (Public Accounts Select Committee 2006, p. 11). The lack of administrative capacity in these cases should also be seen in the context of a reduced capacity to recruit external expertise, demand by government for 'good news' in a hostile political environment, and the inherent complexity of each of the projects.

Elsewhere, there is evidence of a lack of administrative capacity to stand up to political and interest group pressures, even though resistance to projects was well-informed and present. In the case of the Eurofighter project, the initial advocacy involved a manufacturer that was, at the time, part-owned by the Bavarian government. A lack of resources and a reluctance of government to engage with planners was said to have provided for a 'waving through' response to changes to technical specifications of the project, which led to cost overruns. In light of all this, policy disasters may not just emerge from over-excitably policy-makers but also from failures of resources and expertise in administration, such as in forecasting and project management. Instead, they frequently emerge as a result of weak challenges to

planning assumptions and awarding of green lights to complicated and risky projects due to a lack of depth in administrative scrutiny, whether due to political sensitivities, industry pressure, over-enthusiastic project designers or failure to manage disparate sets of agencies and contractors.

More generally, though, none of these projects led to policy disasters simply because 'the state' was in charge. Indeed budget forecasting and project management seems to be problematic for both the public and private sectors. Instead, shortcomings in administrative capacity were often down to a lack of interest and engagement by oversight boards, senior leadership, project teams and individual officials that structured problems experienced with these large projects. One may therefore suggest that administrative capacity presents a generic constraint in contrast to an argument that would claim that some types of systems are more prone than others, due to, for example, extensive managerialist reforms.

If we summarise our qualitative assessment of the causal importance of each of these four sources of blundering, as presented in Table 3, it is apparent that some factors are far more recurrent and impactful than others. Here we employ a fuzzy set approach (Ragin 2000), assigning each factor a score for the degree to which it is considered to be a contributing or critical factor to the policy blunder. The sets take values of 0.0 (not a contributing factor at all or not event present in the case), 0.1 (a minor factor), 0.3 (not that important, but played a role), 0.5 (one of the main contributing factors, but in itself not critical), 0.7 (a significant cause of the blunder, but exacerbated by presence of one or more other conditions, even minor), 0.9 (the predominant underlying single or conjoint cause of failure), and 1.0 (indisputably the critical and major factor in the blunder, with all other factors incidental).

From inspection of the average score for each factor we see that constitutional politics lags behind substantially (at 0.3), compared with instrument choice (0.5) and hyper-excited politics (0.6) and administrative capacity (0.6). If we simply correlate the fuzzy set score against the severity of the blunder (as shown if the first column) we see that the correlation is much higher for instrument choice (0.6) compared to all other factors (0.2). We might therefore reflect on difference between the degree of causal contribution of a factor and its impact on the severity of the blunder.

Conclusion

Our study featured projects that shared one common feature, namely a high reversal cost. This reversal cost could either be seen in terms of project abandonment or in terms of political cost. Such a common feature may contrast our study with other episodes of 'disaster'. However, there are nevertheless some broader insights that emerge from our analysis. One is that constitutional politics do not seem to matter, at least not in the ways emphasised by the single country literature. That is, different political systems resorted to highly complex technical fixes, they were attracted by mega-events, and they were prone to cost and time overruns. This suggests that the widespread criticism regarding the British political system (or any other) in terms of being blunderprone requires further consideration.

A further insight is that our study pointed to elements of hyper-excited politics, but less in the sense of moral panics and over-excitable politicians reacting to problems on the fly than systems being open to the temptation of engaging in iconic and legacy politics. This means that the pull of a high prestige building, or a technological fix that would not resolve domestic issues, but could also be exportable, was a wide-spread feature. Failure due to attempts at reputational and prestige policy wins features commonly across systems, but especially so in the German cases. In addition, those projects that reflect particularly prominent 'solutions hunting for problems' (usually involving law and order, such as 'welfare abuse') seem open to policy disasters, as solutions become the end rather than the means in policy-making. However, we do not find that particular instruments are prone to failures, as we observe different organisational forms, with both state and industry-led projects in our sample.

In other words our study suggests, first of all, that blundering is not an inherently system-specific feature, but one that recurs across systems. This suggests an element of active choice or agency. This agency is, in turn, met by the inherent limits of administration whose capacities are outgunned when faced with complexities and ambiguities of the kind of projects and policies discussed in this paper. Blaming national characteristics for blunders and failures may therefore offer support to calls for constitutional reform, whittling down of the state and outsourcing of its functions, and further denude politicians at the same time as absolving them from making choices. However, our cross-national study suggests that such an argument makes for poor and unsupported empirical analysis.

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APPENDIX

Table A1: Qualitative Comparative Analysis of Twenty-Three Policy Blunders

Case	Problem	Hyper-Excited Politics	Constitutional Politics	Instrument Choice	Administrative Capacity
Berlin Brandenburg Airport *Severity = 0.7*	Long-term delay in opening of new airport, technical problems with the structure relating to health and safety. High visibility, high cost/time overruns. Total cost of €5.4bn (estimated), escalated from an initial €2.9bn.	Wider context at the outset. Initial enthusiasm in context of unification and subsequent move of capital. Need to maintain 'low cost' said to lead to under-capacity airport with high complexity technology. [0.7]	Mixed project involving two Land governments and federal government, leading to accusation of responsibility diffusion; constitutional and administrative court reviews. [0.5]	Highly constrained due to EU provisions. [0.3]	Questions about lack of oversight over project. Delivery capacity also limited as no overall oversight [0.9]
Toll Collect, Germany *Severity = 0.3*	Delay in introduction of scheme in the early 2000s, accusation that private providers didn't inform federal government regarding initial problems. Tribunal into this continues until the present day. Consortium has been renewed until 2018; fails to shape traffic flows and technical option has not been exported. Court battle over €7.5bn	Initially seen as advancing German competitiveness and industry as well as 'model' for public private partnerships – signing shortly before 2002 election was to be 'success' and promise of extra-income; claim that without projected income Germany might violate Maastricht criteria. [0.7]	No [0]	Private consortium allocation/contractual relations seen as highly problematic and lead to continuous legal challenges. First round had failed initially. [0.5]	Accusation that deal favours private consortium; internal criticism overruled by minister; need to deliver 'contract' means no enforcement powers over private consortium. [0.5]

Elbe Philharmonie, Germany *Severity = 0.5*	Considerable delay and overspend of concert hall building in Hamburg – initial plan to spend €3.5m for internal 'skin' – only provider charges €31m – then Hamburg searches on its own €15m, state insurances firm against bankruptcy; €44m cost overrun. Initial estimate €241m; current estimate €789.	Prestige building in previously declining part of the city. [0.7]	No [0]	Initial promise that building wouldn't cost anything apart from 'donation' of the land plus allowing hotel/flats (40m) – donations made €68.3m. Adoption of initial proposal without any competition and use of initial architects for project planning. Company bids with too low price to win contract [0.5]	Rege (loco) loses control over process, gets overwhelmed by changes by architect. [0.7]
Eurofighter *Severity = 0.3*	Delayed project with ongoing technical problems, cost overruns (estimate €16.8bn instead of €14.7bn - initially 130m per plane, by 1997: 180 planes for €11.8bn) and doubled per/hour flying cost (€80k); initial plans: 1988 with first flight 1997 - first flight 2006.	No. More a product of close relationship between politics and military-industrial complex (in late 1980s Bavaria part-owner of manufacturer). [0.3]	No (European wide construction/ conflict with UK/France and ongoing politics/corruption allegation over deals/failure of deals. demands by UK (capture by Rolls Royce) add complexity and further cost driver) [0]	No [0]	Lack of expert oversight in manufacturer to control quality - problems are found by safety regulator. Closeness of Ministry of Defence to industry. [0.7]
Sydney Opera House (1955-1973) *Severity = 0.7*	Massively over-budget (cost overrun of 1,400%); completed ten years later than originally planned.	Support for the project from NSW Government and Premier. Keenness to get project started meant that construction started while designs were still being drawn up. [0.5]	No. Project led by state government (NSW Government) and financed through a state lottery. [0.1]	Design competition (1955-1957). Private project construction firm Civil & Civic and engineers Ove Arup and Partners. Technical difficulties in the construction of the iconic 'shells' of the Opera House roof (the geometry was not defined in Utzon's original designs). [0.9]	A breakdown in relations between the architect, Jørn Utzon, and the NSW government led him to resign from the project – forced out by Minister for Public Works, Davis Hughes (a situation Utzon described as 'Malice in Blunderland'). Utzon was replaced – with the upheaval affecting the design of the building, costs and time for completion. [0.7]

Edinburgh Trams project (2003-2014) *Severity = 0.9*	Originally costed at £375 million (2003), estimated final cost over £1 billion (cost overrun of almost 300%). Completion dates slipped from 2011 to 2014 (three years). 2/3rd of planned lines built	City Council was intent on construction of a tram network (also fitted with climate change agenda). [0.3]	No. Project initiated by the Labour-led Scottish Executive in 2003 (devolved government). SNP minority government tried to scrap the project after it was elected in 2007, but was blocked by the other parties. [0.3]	Utility diversion work proved to be more complex than originally anticipated. Changes were made to the planned route. Edinburgh city centre was left gridlocked by "catastrophic failure" of traffic management. [0.7]	Major dispute between Transport Initiatives Edinburgh (TIE), the arms-length company (owned by the City of Edinburgh Council) responsible and its main contractor (Bilfinger Berger). Lack of experience or skills on board of TIE to oversee the Tram project. Company was eventually scrapped. A judge-led inquiry into the fiasco was launched in 2014. [0.9]
Scottish Parliament at Holyrood (1997-2004) *Severity = 0.9*	Cost overrun of 1,000%, completed three years late.	Political desire to fast track the project. Experience in 1970s of halted devolution led to 'lock-in' of the project. Symbolic importance of new parliament led to preference for 'quality over cost' in planning. Rush to deliver the project led to an under-estimation of risk. Over-optimistic estimation of the cost on incomplete information. [0.7]	Newly established system of devolved government in Scotland. [0.1]	Publicly financed, contractors secured through tendering process, a joint venture between EMBT and RMJM Ltd. Fast-tracking procurement, instead of PFI, left project open to risk. [0.9]	Procurement process led the project to 'cost what it cost'. Major changes in the client requirement for the area and layout of parts of the building. [0.7]
Boston's Big Dig (1982-2007) *Severity = 0.7*	Cost overrun of 500%, completion date slipped from 1998 to 2007 (nine years late). Problems with construction standards, safety and fraud by contractors.	Limited political intervention in the project. Presidential veto in 1982, but appropriation given Congressional approval soon after. [0.1]	Federal funding of construction works, delivered through a partnership between the Massachusetts Turnpike Authority and private programme manager Bechtel/Parsons Brinckerhoff. [0.1]	Once decision was taken to build a subterranean highway (central artery/tunnel) for Boston's road infrastructure system, the project was irreversible. The Big Dig was a highly technically challenging infrastructure project. Problems with the tunnel such as leaks and structural fissures. [0.9]	Discovered that leaks were due to poor construction standards by contractors. Legal dispute with the contractors over the construction quality, cost overruns and safety violations (led to payout of around $450 million). [0.5]

Olympic Stadium, Montreal (1970-1976) *Severity = 1.0*	Cost overrun of 1,250%; problems with completion; labour disputes disrupted progress of the project; inflation of the cost of building materials.	Strong lobbying for the project from Jean Drapeau, Mayor of Montreal, renowned for ambitious projects by the City. Over-confidence that event would be self-financing. [0.7]	Olympic projects were overseen by the Montreal City Government and Private Bid Corporation. 'Self-financing model' under the Organizing Committee for the Olympic Games (COJO '76), but with financial guarantees from the City of Montreal. [0.3]	Choice of complex designs for the venues (stadium-pool-velodrome complex) and use of pioneering construction techniques were a factor in delays and cost overruns. Project also suffered from scope creep of technical specification. [0.9]	Changes in technical specification of Velodrome (due to subsoil), commodity price inflation and general price shocks. Failure to identify unstable sub-soil (missed by geological surveys). Under-estimation of the cost of materials/labour costs (inflation) and danger of work stoppages. [0.7]
Olympic Games and Venues, London (2003-12) *Severity = 0.3*	Cost overrun of 290% on the overall budget; cost overrun of c. 200%% on the Olympic Stadium (from £280 million to £547 million), and 400% on the Aquatics Centre (from £75 million to £313 million). Bailouts needed for commercial development of the Olympic Village and Media Centre, and shortage of security personnel.	Cross-party support for London's bid, but received support both of Tony Blair and London mayor Ken Livingstone in final lobbying of the IOC membership. [0.5]	Olympic Organizing Committee financed through commercial activities. Financing of infrastructure by government, to be delivered by private consortia. Government as 'backer of last resort' for all Olympic projects. [0.3]	Shortfalls in private financing of both the Olympic Village and infrastructure for the Olympic park due to the global financial crisis (investors returned after the downturn had eased). [0.5]	Omission of predictable costs from the original estimates, and simple flaws such as exclusion of VAT and security costs led to growth of the budget. Growth of the budget also resulted from the addition of a large programme contingency (£2.2 billion). [0.7]
Millennium Dome (1992-2001) *Severity = 0.5*	Cost overrun of just 4% on the project, but 57% increase in public cost; major political fiasco (Opening Night left journalists and VIPs waiting in the cold for hours at Stratford station - 'could not have gone worse without loss of life'); difficulty in finding a commercial buyer for the venue; highly negative media coverage.	Tony Blair considered it the 'first paragraph' of his re-election manifesto, overriding majority of opposition from Cabinet. [0.7]	Decision taken in Cabinet at instigation of the Prime Minister (Deputy Prime Minister ensured Cabinet backing). Transition between Major and Labour governments caused problems with project development (created high level of uncertainty in developing plans for millennium exhibition). [0.7]	The New Millennium Experience Company (NMEC), financed through Millennium Commission grants and commercial revenues from ticket sales and sponsors. [0.5]	Shortfalls against expected revenue from ticket sales and sponsorship. Additional grants from the Millennium Commission to keep the project afloat exceeded the cost of cancellation. [0.5]

Concorde (1962-1976) *Severity = 0.5*	Cost overrun of 1,100%.	Symbolic concerns of British and French governments over demonstrating technological and engineering prowess. [0.5]	Operated under the terms of an international treaty between the French and British Governments (rather than a contract between the companies), penalties for cancellation of the project. [0.1]	Joint venture between private companies, British Aircraft Corporation (BAC) and Aérospatiale. Order cancellations due to a range of factors, in particular the effects of the 1973 oil crisis on the civil aviation industry, financial difficulties of airlines, environmental concerns and air show crash of the Soviet competitor aircraft. [0.7]	Cost of cancellation cheaper than continuing with project known to be uneconomic (some uncertainty over legal liability according to the treaty between the countries). [0.7]
Channel Tunnel (1981-1994) *Severity = 0.1*	Cost overrun of 80%; completed one year late.	British Government not interested in funding the project. Supported private leadership of it. [0.1]	No. [0.1]	Privately financed venture, delivered on a 'BOOT' basis (build-own-operate-transfer). [0.1]	Changes to the technical specification of the project in relation to environmental factors, safety and security. [0.7]
Bibliothèque nationale de France *Severity = 0.5*	Project hit by cost overruns and technical difficulties with its high rise design. Cost approaching $2 billion	Project announced on 14 July 1988, by President François Mitterrand. Large, ambitious project. One of the 'Grand Projets' of Francois Mitterand – programme to create modern monuments in Paris. Socialist government's agenda focused on cultural politics/production. (Personally inspected materials used for the Louvre Pyramid). Crash contract so no new president could alter plans. [0.9]	Presidential influence over the project a factor. Projects under the Ministry of Culture, overseen by a senior official Emile Biasini. [0.3]	Ambitious, technical designs using high quality materials. High rise design proved problematic. [0.7]	[0.0]

Australian Parliament House (1978-1988) *Severity = 0.5*	Original cost of the project was A$151 million (in 1978 prices), was quickly revised up to A$220 million in 1980, with the actual final cost rising to $1.1 billion. Supposed to be completed by 26 January 1988 (the bicentenary of European settlement of Australia) but finally opened 9 May 1998.	New Parliament building conceived as a national symbol, coinciding with bicentennial celebrations. Decision was taken to 'fast track' the project, commencing construction before designs were finalized, in order to meet the opening date. *"Many of the difficulties arose from the fast track system which the Authority adopted to try to meet the target data for completion" (Auditor-General 1987).* [0.7]	Direct accountability of the Parliament House Construction Authority (PHCA) to Parliament and Cabinet via the Minister for the Capital Territory. [0.3]	Early decision that the structure should be conventional (i.e. did not use pioneering technology). Project to be delivered through Parliament House Construction Authority (PHCA) as government body with overall responsibility. Scope creep in the technical specification; changes to user requirements were a major factor in cost overruns. [0.7]	Omission of a contingency in the budget. Difficulties experienced in managing project architects (with designs often submitted late).Much of procurement relied upon a contractor managed a wide range of trade subcontracts. [0.5]

Universal Credit (2010-) *Severity = 0.7*	Originally due to launch nationally for new claimants in October 2013, with aim of simplifying the system for working-age benefits. Universal Credit has been hit by delays and substantial write-offs of new IT systems. It was "reset" in early 2013 due to the Major Projects Authority raising serious concerns regarding programme implementation. Significant problems with the development of IT systems and processes led to delays in target date for national roll-out of the programme. Lack of clarity over whether the new IT systems will support the national roll-out, leading to an initial write-off of £34 million of new IT assets (NAO 2013, p. 7), and warnings that this figure may eventually increase.	Universal Credit was one of the flagship reforms initiated under the Coalition Government, and launched at the Conservative Party conference in 2010. The scope of reforms and the timetables set were highly ambitious, reflecting the political importance of the policy. Universal Credit was the signature policy of Secretary of State for Work and Pensions, Iain Duncan Smith (sole holder of this portfolio between 2010 and 2015). Also alleged that the Minister or his aides have briefed against the DWP permanent secretary (New Statesman, 11 April 2014). *"When setting up the programme the Department adopted an ambitious timetable for national roll-out from October 2013." (NAO 2013, p.7).* *"The programme has been subject to high levels of ministerial and senior departmental engagement from the outset. Since October 2012, departmental ministers and the Permanent Secretary, met weekly to review progress." (NAO 2013, p. 37).* [0.5]	The Welfare Reform Act delegated operational details of Universal Credit to statutory instruments. Legislative oversight of the project has been limited by a lack of cooperation from the Department of Work and Pensions in the provision of accurate, timely and detailed information. *"Effective scrutiny by select committees relies on government departments providing them with accurate, timely and detailed information. This has not always happened to date in relation to our scrutiny of the problems with Universal Credit implementation." (Work and Pensions Committee 2014, p. 25).* [0.3]	Choice of a universal integrated system involved substantial scale and complexity. In development of the programme, discovered that some new IT systems were unable to be integrated with the new digital system for Universal Credit. Concerns raised that the new system is unable to handle changes in circumstances and complicated cases, so these will have to be processed manually. *"Throughout the programme the Department has lacked a detailed view of how Universal Credit is meant to work." (NAO 2013, p.8).* [0.7]	The senior leadership of Universal Credit experienced a high rate of turnover, while more generally "lacked IT expertise" (NAO 2013, p. 35). The DWP was criticized by the National Audit Office of having a "good news" reporting culture and operating under a "fortress mentality". *"Since mid-2012, the Department has experienced high turnover in the senior leadership of Universal Credit.... Including the reset and the current director general for Universal Credit, the programme has had five different senior responsible owners since mid-2012." (NAO 2013, p. 9).* *"The Department ring-fenced the Universal Credit team and allowed it to work with a large degree of independence. Major Projects Authority and supplier-led reviews in mid-2012 identified a 'fortress' mentality within the programme team and a 'good news' reporting culture" (NAO 2013, p. 8).* [0.9]

Collapse of the West Coast Main Line rail franchise competition (2011-2014) *Severity = 0.3*	Decision to award the West Coast Main Line rail franchise to FirstGroup scrapped by the government after "significant technical flaws" in the process of procurement. Failure of the franchise competition incurred £2.7 million in professional fees related to judicial review of the decision, in addition to £4.3 million in costs of reviews commissioned from external advisers. Estimated cost of reimbursing the four bidders around £40 million.	Over-ambitious policy in view of departmental capacity and resources. Political haste by new government in introducing major reform to the franchising regime. *PASC noted "lessons for ministers in terms of more realistically matching policy ambition to departmental capacity and resources" (PASC 2013, p. 3)* *"Embarking on an ambitious, perhaps unachievable, reform of franchising, in haste, on the UK's most complex piece of railway was irresponsible and involved such an element of risk that greater senior executive oversight and relevant technical expertise was required. (pp.10-11)* [0.5]	Institutional structures were in place for assurance, but little attention to procurement: "scant attention paid by the DfT's board and executive committee to rail franchising" (PASC 2013, p. 8). Failures due to internal processes/checks not having worked, not due constitutional design. *"The discretionary adjustment of the figures, to the benefit of First Group, clearly opened the DfT to legal challenge from Virgin Trains. Officials and advisers knew that this risk existed but did not provide sufficient warning of it to senior civil servants and ministers. Indeed, misleading information, that the SLF figures had been derived from the model, was fed up the chain" (PASC 2013, p.7)* [0.1]	The invitation to tender for the franchise was issued before any decision was taken on how to calculate 'subordinated loan facilities' (SLF) (capital provided by the bidder's parent company to guarantee operator losses and protect government against risk of default). The DfT had not developed a tool to calculate the SLF. Instead it used an internal model. Officials used discretion to adjust figures, to the advantage of First Group (over Virgin Trains). Modelling was flawed (was expressed in real terms, when it should have been expressed in nominal cash terms). [0.7]	At £5.5 billion, "probably the biggest single contract DfT had ever attempted to award" (PASC 2013, p. 7). Policy disaster attributed to failures of governance: "there were no senior staff directly involved with the procurement project, no one person clearly in charge, and a lack of senior oversight of the project team" (PASC 2013, p. 8). Project was given a green rating by the Major Projects Authority after a review of the franchise competition. DfT suffered from considerable turnover of senior staff, lack of management oversight and ownership of the franchise, internal governance of the project was confused (NAO 2012, p. 8). [0.9]

Carrier Strike, UK (2007-2020) *Severity = 0.7*	In 2007, the Ministry of Defence agreed a programme to deliver two aircraft carriers, completed in 2016 and 2018 at a cost of £3.65 billion. The decision of the newly elected Coalition Government in 2010 to switch to a different sort of aircraft/carrier combination led to an increase in forecast costs of around £2 billion, resulting in a U-turn. Switching back to the original aircraft type led to £74 million being written-off, and a delay of when the carrier would be completed to 2020. Beyond this, there has been a total cost increase for Carrier Strike of £2.6 billion (NAO 2014, p. 13).	Reversal of a decision by the previous government by the Coalition was part of defence cuts under its programme of austerity introduced hastily in 2010. [0.5]	Change to policy by new government typical of claims regarding the adversarial nature of policy-making in the British system. Lack of checks and balances over the review of defence spending in 2010, combined with a lack of transparency and rushed process, was linked to mistakes in the decision-making process. However, the cost of the U-turn (£74 million) is dwarfed by the other cost increases on the project (£2.6 billion) due to technical factors. *"The Department attributed these mistakes, which have cost taxpayers at least £74 million, to the process being rushed and secret." (PASC 2013, p. 5).* [0.3]	In 2014, the NAO reported that "the cost increase on Carriers is largely driven by technical factors" (NAO 2014, p. 13). These included increases in labour, warehousing and storage costs due to delays in the air carriers entering service, and scope creep across a range of aspects of the project, such as designs and material costs. *"The Department admitted that while interoperability with the French and the Americans remains a priority, the ability to land the carrier variant aircraft on other nation's aircraft carriers had proven to be more technically difficult than previously thought." (PASC 2013, p. 8).* [0.5]	During the 2010 Strategic Defence and Security Review (SDSR) the option of switching to the carrier variant of the Joint Strike Fighter, and as a result had to generate cost estimates quickly on the basis of insufficient information (PASC 2013, p. 7). By February 2012, the estimated cost of converting the aircraft carrier has risen from £500-800 million to £2 billion. Under-estimation of costs was "the result of omitting predictable costs, such as the costs of planning the conversion, and basic errors which included omitting VAT and inflation from the costs of converting the carriers" (PASC 2013, p. 8). [0.7]
Transrapid, Germany *Severity = 0.3*	Maglev technology has been tested since 1969, but was abandoned in 2012, following failure to introduce it into German system; one operating system in China (Shanghai); costs difficult to determine: €700m by 1989; planned line Berlin - Hamburg increased to €7.5bn (others say 10bn) - abandoned. Cost estimates 3bn not 1.85bn for munich airport link leads to abandonment. €800m from 1970-2012 for test track.	Hyper-excited politics on various occasions, most famously Edmund Stoiber's enthusiasm as Bavarian prime minister for service to airport (https://www.youtube.com/watch?v=f7TboWvVERU). Regularly championed as symbol of German industrial innovation - promotion of high tech for export. [0.9]	Intergovernmental financing of the project leads ultimately to the abandonment of the project - earlier abandonment due to Deutsche Bahn criticism (unwillingness to carry operational risks). [0.7]	Highly optimistic costings that are not updated to reflect rise in construction costs/compliance costs regarding environmental regulation. [0.3]	Lack of understanding of cost reductions in air travel and technological potential in conventional rail travel. [0.3]

Stuttgart 21, Germany *Severity = 0.7*	Ongoing railway station re-construction leading to considerable political change - green/red coalition government in Land, change in mayor in Stuttgart. Public protests, public conciliation process and referendum - supports construction - cost estimate €6.5bn by 2012 (estimate 2010: 4.5bn), campaigns in 2009 with 2004 figures: 3.1bn. First announcement: 1994.	Not high - but supporters highlight that railway station and its redesign is essential for local/regional competitiveness. [0.5]	Intergovernmental politics despite railways being a 'federal' matter. [0.5]	None - conflict over plans and early construction, not overall project delivery. [0.1]	Mostly lack of control within Deutsche Bahn. [0.3]
Electronic Health Card, Germany *Severity = 0.3*	Mandatory cards for all those with statutory insurance - does not deliver the information required, just personal information; cost (since 2006) until 2015: €1bn. Main change to existing card: picture ID, health information from 2018.	Limited political interest, largely to promote networked health services and less abuse. [0.3]	Largely a conflict in autonomous sector, no involvement by federal government; civil rights protection meant no political support - accusations that opposition by doctors largely about protecting own privileges. [0.1]	Operating company delivering project criticised for relying on industry with earlier failures. Main issue was the complexity of PIN numbers that is seen as patient unfriendly and useless information/outdated technology. [0.3]	None [0]
National Identity Card Scheme (2002-2010), UK *Severity = 0.7*	Scheme scrapped in May 2010, having cost an estimated £4.5 billion during its lifetime, never having been fully rolled out.	Plans for an identity card scheme announced by the Home Secretary in July 2002 in the aftermath of the 9/11 attacks and increased concern over the threat of terrorism. Political pressures resulted in changes in project scope: "changing focus has resulted in a lack of clarity regarding the likely technology requirements" (PASC 2006. 19). [0.7]	Proposals were introduced without proper consultation. ID cards scheme was eventually abandoned after change in government in 2010. (Chair of the PASC was not permitted to inspect the risk register of the ID cards programme.) [0.1]	ID cards scheme was initially intended to be based on a centralized computer database. (This plan was later abandoned, with information being stored on three existing systems.) Danger of "function creep" for the database (Home Affairs Committee 2004, p. X), with new components added in relation to other policies (e.g. ID cards for foreign nationals). [0.7]	Reliance of the Home Office on external expertise in ICT (PASC 2006, p. 64). It paid PA Consulting £14.2 million for work on the ID cards scheme "because it did not have "ready access to certain skill sets and resources necessary for implementation of a large and complex project such as Identity Cards" (PASC 2006, p. 11). [0.7]

Sochi 2014 Winter Olympics (2007-2014), Russia *Severity = 0.7*	Cost escalated from the planned $12 billion to over $51 billion (an increase of around 400%).	Project conceived as a grand legacy project for President Putin, and as a high prestige global event. [0.9]	Clientalistic politics whereby private investors in Olympic venues were able to transfer their toxic assets to the state after the event to avoid losses. State disinterested or unable to act against corruption (e.g. kickbacks). [0.7]	Ambitious designs for venues and infrastructure of the Games. Delays in completion of the ski jump (site for the ski jump was technically challenging due to unstable subsoil). [0.5]	Problems with corruption and embezzlement contributed to cost overruns. Relative absence of cost controls or careful management due to Sochi being a prestige/legacy project for the president. [0.3]