

**Comparing Blunders in Government**

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## **Abstract**

Much attention has been paid to government ‘blunders’ and ‘policy disasters’. National political and administrative systems have been frequently blamed for being disproportionately prone to generating mishaps. However, little systematic evidence exists on the record of failures of policies and major public projects in other political systems. Based on a comparative perspective on blunders in government, this paper suggests that constitutional features do *not* play a prominent role. In order to establish this finding, this paper (a) develops theory-driven expectations as to the factors that are said to encourage blunders, (b) devises a systematic framework for the assessment of policy processes and outcomes, and (c) uses fuzzy-set qualitative comparative analysis to identify sets of causal conditions associated with particular outcomes (i.e. blunders). The paper applies this novel approach to a set of particular policy domains, finding that constitutional features are not a contributory factor to blunders in contrast to instrument choice, administrative capacity and hyper-excited politics.

## Why do governments blunder?

Political science has always been interested in the question as to why things go wrong in government. Ranging from the search for a remedy to the ‘peculiar American difficulty in organizing administration’ (Wilson 1887, p. 498), the diagnoses of policy instability due to adversary politics (Finer 1975), the study of ‘joint decision traps’ (Scharpf 1988), stalemated political systems (Crozier 1971), explorations into why implementation goes awry (Pressman and Wildavsky 1973) to more comparative attempts at explaining policy fiascoes (Gray and Hart 1998), scholars have been pre-occupied with identifying policy episodes perceived as cases of poor performance. Insights from individual episodes are used to suggest wider systemic flaws inherent in the particular political system in question. The conclusion of many such accounts of blunder-prone government is, in turn, advocacy of political reform. This paper assesses whether political system, or constitutional features really matter in generating severe ‘blunders’ by looking at a set of 23 government blunders across seven political systems. Using Ragin’s (2000; 2009) fuzzy set qualitative comparative method (fsQCA), it assesses different theoretical explanations regarding underlying factors associated with severe government blunders. The analysis suggests that it is combinations of alternative factors rather than constitutional factors alone that better account for major policy blunders.

The claim that the constitutional features of a political system matter is usually compounded by self-flagellating critiques of blunders as a *uniquely* national disease. For example, Schuck (2015) argues that government failures are a consequence of deep structural factors associated with the dysfunctional US political system. Similarly, Paul Light (2016) emphasises the accelerating incidence of policy breakdown due to disinvestment in the bureaucratic capacity of US federal government combined with effects of partisan polarization. King and Crewe (2013) claim that Britain’s political system is distinctly prone to large-scale, avoidable and expensive policy mistakes. This follows a tradition suggesting that policy-making in Britain is impeded by its constitutional features of strong one-party government, over-confidence of

political and administrative elites and an absence of checks and balances (Finer 1975; Dunleavy 1995; Moran 2001).

A number of problems arise from this line of approach. One is that emphasis on constitutional features as main source for blundering often reflects the political viewpoint of the analyst in their respective political system. In Britain, this emphasis goes hand-in-hand with advocacy for a more representative form of electoral democracy, in Germany criticism focuses on the intricate intergovernmental relationships between state and federal governments (Scharpf 1988), and in the US on institutional gridlock caused by partisan polarization (Hacker and Pierson 2010). Political systems are either said to be 'gridlocked' and requiring greater pluralization and a dose of majoritarianism, or they are alleged to be unrepresentative, hyper-active and over-centralized, requiring more consensus.

A second problem is that such accounts seem to suggest that particular systems are peculiarly prone to major policy blunders without any real comparative perspective (Gray 1996). While each jurisdiction may generate blunders in a distinct way, it is neither evident that any one country is lonely at the top when it comes to severe government blunders and dysfunctionality nor that countries are in the same race when it comes to things going wrong. A third problem is that these arguments are usually generated by the study of national experiences alone, based on the wisdom of hindsight. A final problem is the definition of a 'blunder'. It is difficult to define relevant time periods, declared intentioned outcomes may conceal other motives and side-effects, and initial blunders might turn into triumphs, as noted by Peter Hall (1980) in his study of planning disasters. This continues to be a focus of debate in studies of policy success and failure (Bovens et al. 2001; Bovens and 't Hart 2016; McConnell 2010; 2016). This paper does not dispute the diagnosis of 'blunder' in any of our cases (we use 'blunder', 'failure', 'fiasco', 'breakdown' and 'disaster' interchangeably). We develop a comparative study of blunders which focuses, on the one hand, on the severity of blunder, and, on the other hand,

assesses the strength of competing theoretical explanations for why governments blunder. Our central question is, therefore, whether particular political systems generate a different quality of blunder.

To address this question, this paper undertakes a comparative study of the conditions associated with severe blunders by government. It first develops a theoretical framework that draws on the existing literature on the sources of policy failure. Second, it develops a novel approach, based on Ragin's (2000; 2009) fuzzy-set QCA, to identify sets of causal conditions associated with major policy blunders (as contrasted with cases of non-severe blunders). Third, this paper describes coding and sampling procedures for our cases. Fourth, we discuss and analyse 23 government blunders. These are drawn from six jurisdictions in a defined range of domains: namely policies and projects associated with high reversal costs, such as public buildings, transport infrastructure, IT projects, benefits and tax systems, and aerospace and defense projects.

## PERSPECTIVES ON GOVERNMENT BLUNDERING

While the claim that constitutional features generate particular types of blunders has been widely explored, alternative theoretical explanations exist. Premised on key claims put forward in the literature, we develop a typology of four complementary perspectives on government 'blundering' by distinguishing between sources of blundering on two dimensions. First, we distinguish whether supposed blunders are caused by the choices of individuals, or by actors whose actions are channeled through the inherent characteristics of politico-administrative systems (such as the 'Westminster system' or 'political gridlock'). Second, we point to the alternative effects of resource depletion, in other words, we differentiate between sources of blundering that point to the absence of particular pre-requisite resources or where resource depletion affects blundering, and those where resource issues do not matter. Table 1

summarizes our typology of four sources of policy blundering. We explore each of these perspectives in more detail below.

**Table 1:** A Typology of the Sources of Government Blunders

	Limited Resource Dependence	Resource Dependence
Blunder due to particular choices	Hyper-Excited Politics	Instrument Choice
Blunder due to underlying structures/systemic features	Constitutional System	Administrative Capacity

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 (Cohen 1972), ‘Pavlovian politics’ (Lodge and Hood 2002) and other external pressures that make politicians and officials 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 (Breyer 2003). 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; Flyvbjerg et al. 2003). 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 (Jones and Baumgartner 2005).

Blundering due to particular structural features of the *constitutional system* is, as noted, often put forward as accounting for the record of failure in British central government (Dunleavy

1995; King and Crewe 2013). Similarly, the 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 (Weaver and Rockman 1993; Tsebelis 2002). The propensity towards ‘strong government’ is seen as problematic as it reduces deliberation opportunities and the information available to decision-makers, as well as failing to check over-enthusiastic and over-confident executives. While, therefore, majoritarian systems are often seen as problematic, a similar case can be made for consensus systems. Here, the threat of gridlock, the need to bargain and seek consensus are seen as delaying decisions, requiring side-payments and pork-barreling, and slowing down the business of government (Scharpf 1988).

*Instrument choice* as a source of blundering is associated with explanations that suggest the wrong tools for the job have been chosen. Policy instruments differ in terms of their degree of ‘coerciveness’ and ‘depletability’ (Hood and Margetts 2007). Accordingly, blunders are caused, or could be avoided, because inappropriate or sub-optimal methods, such as a regulatory standard or economic incentive (e.g. taxes, subsidies) are chosen to achieve the desired effect. Similarly, the use of highly punitive and visible punishment might require the creation of a particular enforcement machinery, but also trigger resistance and avoidance, requiring, in turn, further repressive organizational tools. Elsewhere, 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 the institutional machinery required for ‘making this happen’, and therefore points to the dispersion of responsibility for particular activities. Similarly, Pressman and Wildavsky (1973) noted how the ‘wrong’ instrument, namely one with too many ‘clearance points’, was inevitably leading to a disappointing policy outcome.

Finally, blunders are associated with a lack of *administrative capacity*. This relates to bureaucratic organization and competence. Accordingly, blundering may emerge due to dysfunctional oversight activities, insufficient resources to engage at the policy frontline, an inability to bring together and maintain a diverse set of actors, or failures of imagination due to a lack of technical capacity to process information and forecast trends.

Whereas instruments relate to the resource implications of particular modes of policy intervention, administrative capacity relates to the skills and capabilities that are expected to exist within bureaucracies. Therefore, a lack of administrative capacity is defined by the absence of relevant and suitable skills within public and private organizations, issues with communication and co-ordination within and across organizations 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 (Jones and Baumgartner 2005). A lack of co-ordination capacity might be said to lie at the heart of failures of collaboration between different state and non-state bodies. 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. In the British context, Dunleavy (1995) 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 capacity might also be linked to a lack of staff in policing certain activities. For example, a lack of civil service expertise in procurement is often blamed for cost overruns in major IT projects and large defense contracts (e.g. Dunleavy et al. 2006).

## A METHOD FOR ANALYSIS

Problems of selecting on the dependent variable are well-established as this gives rise to no-variance in the outcome variable (King et al. 1994). These problems pose a potential danger in studies of policy disasters which focus on high-profile cases. For our purposes, however,

examining a sample of prominent policy blunders displaying qualitative differences in kind of severity from across a range of contexts provides a test of the *necessary and sufficient conditions* for the occurrence of severe blunders. In other words, selecting a set of known blunders 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 (Dion 1998). Our cases are, therefore, drawn from a number of policy domains and countries. A broadly shared definition of policy blunders suggests that these are large-scale errors of either omission or unintended consequences (Hall 1980; Gray 1996; King and Crewe 2013; Light 2016).

We identified cases which might be categorized as having been blunders 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/defense projects. These domains are chosen as they represent those areas of government activity that have been widely identified in studies of *domestic* policy blunders and project failures (Dunleavy 1995; Moran 2001; Flyvbjerg et al. 2003; King and Crewe 2013). These areas are different to other examples of failure, such as poor regulation, military follies and other foreign policy fiascos, or flawed welfare programmes. None of the decision-making in these cases is likely to have directly caused death or disease. They therefore represent a different class of case.

Crucially for our analysis, the *severity* of blundering varies considerably across the cases, distinguishing between extreme outliers in terms of completion and cost overruns and modest failures of management or decision-making that incurred smaller costs but rather more in the way of political embarrassment. Therefore, the composition of our sample enables us to consider what contributes to the most severe cases of policy blundering, compared to non-severe cases (the former being potentially associated with higher political consequences than

the latter). Thus, while some sort of policy failure is the scope condition that delineates our population (i.e. blunders), severe or non-severe blunder is the outcome we wish to explain.

Ever since Peter Hall's study of planning disasters, it has been recognized that the attribution of policy blunders and their severity is inherently contested and contestable (Bovens and 't Hart 1996; 2016). Our analysis is based on the classification of cases as severe and non-severe blunders according qualitative policy analysis (using a range of primary and secondary sources described below). Accordingly, our cases are assigned a score between 0.0 and 1.0 representing their degree of membership in the *set of severe blundering*. 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 classification scheme for the severity of blundering draws upon Ragin's (2000; 2009) method of *qualitative comparative analysis* (QCA), specifically the use of 'fuzzy sets'; that is, sets where elements have varying degrees of membership (i.e. objects can be more 'in' or 'out' of a category). This approach recognizes that assessments as to what constitutes a blunder can be subject to nuanced interpretation.

This study's classifications are reported in Table 3 below and provide a basis for systematic comparison of the severity of blundering across cases. This classification scheme combines parsimony with fine-grained assessment to ensure that scoring is reliable and can be effectively moderated. Accordingly, scores range from a value of 0.0 where there was no blunder or where any mistakes were inconsequential, through routine under-performance against objectives (0.1), minor failures/botches relating to non-critical aspects of policy/project delivery (0.2), modest failures on one or multiple criteria of policy/program aims (0.4), substantial failures on single criteria of evaluation (0.6), major and embarrassing

project/policy failures against multiple criteria (0.8), extreme outliers in terms of cost overruns or completion delays (0.9), to catastrophic project failures or abandonment (1.0). The classification of a value of 0.5 represents the ‘crossover point’ as the point of maximum ambiguity, where a case is simultaneously both ‘in’ and ‘out’ of a particular set. We do not include this mid-point in our classification scheme to avoid coding bias towards uncertainty, which would lead cases to be dropped and information to be lost. Our classification scheme thus differentiates between cases of non-severe (less than 0.5) and severe (greater than 0.5) blunders. These fuzzy membership scores assigned to these cases reflects complexity beyond dichotomous set-memberships while at the same time being transparent about judgements that have been made.<sup>1</sup> Our choice of seven point scale enables variation in outcomes (and in conditions as described below) which is operationally valid with respect to the quality of information available for our cases.

Having identified the policy domains (as discussed above), we identified a selection of high profile cases that were perceived as blunders (i.e. subject to some criticism or inquiry) either during or after the event, across a range of political systems.<sup>2</sup> The countries involved reflect a range of state traditions and constitutional features, which provide variation in the associated conditions. Our cases are drawn from seven countries: Britain, France, the US, Germany, Canada, Russia, 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 country selection, we observe factors associated with policy disasters across federal-presidential and semi-presidential systems, and in unitary- and federal-parliamentary systems, as well as in an authoritarian state. Some of these cases are seen as variants of over-

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<sup>1</sup> A crisp-set type QCA would not provide for a similar kind of fine-grained analysis.

<sup>2</sup> While our cases are drawn from an extended time period, our theoretical expectations are time-invariant, so we have no reason to expect that cases drawn from earlier points in time will have different features than those in later points in time.

centralized systems (Britain, France). Others are seen as producing ‘gridlock’ due to either inter-institutional (the US) or intergovernmental conflict (Germany). Canada combines both Westminster and intergovernmental gridlock features. Cronyism and corruption are often singled out as features of Russian government. Australia, despite its federalism, is said to suffer from features related to the Westminster system. This approach – (where the ‘family’ of cases - perceived blunders - is held constant, while leverage of relevant variation on the outcomes and key conditions is maximized) – allows us to assess whether the presence or absence of particular conditions (i.e. instruments, system-features, hyper-excited politics or administrative capabilities) is common across cases. This further enables us to demonstrate the contingency associated with government blundering if common patterns are not observed.

#### *Categorizing Hyper-Excitement, Instruments, Constitutional Systems and Administrative Capacity*

Having identified a set of cases, we classify each of the conditions associated with occurrence of the policy blunder. This requires us to determine whether or not a particular condition is present in the case of a given policy blunder. For each case, then, we completed the relevant information for each of the quadrants in Table 2. This was based on a systematic review of a wide range of primary and secondary sources, including media coverage, official documents, government reports, parliamentary proceedings and existing studies (see online appendix).

**Table 2:** Examples of Four Types of Government Blunder

	Low Resource Implications	High Resource Implications
<b>Blunder due to particular choices</b>	<p><i>Hyper-Excited Politics:</i> Short-term political response to a tabloid newspaper campaigns</p> <p>Political backing for a project designed to win over voters</p> <p>Ideological preference for a programme of privatization leads to disregard of evidence and/or opposition</p> <p>Project seen as a legacy for the politician making the decision to adopt or abandon it</p>	<p><i>Instrument Choice:</i> Use of a private finance initiative imposes a long-term financial burden on government</p> <p>Public/private partnership creates moral hazard where government bears the financial risk</p> <p>Reliance on private financing for a high risk venture with uncertain revenues</p>
<b>Blunder due to underlying structures/systemic features</b>	<p><i>Constitutional System:</i> Policy/project not subject to sufficient checks and balances</p> <p>Fast-tracking of legislation possible due to the political system</p> <p>Complex political distribution of responsibility between national and local government creates ambiguity in implementation and blame avoidance behavior and/or generates gridlock</p>	<p><i>Administrative Capacity:</i> Bureaucrats inattentive to the development of problems with a project.</p> <p>Lack of capacity for subjecting initial budget forecasts to scrutiny.</p> <p>Government reliant on private firms and industry sectors for delivering/administering policy (e.g. security for major events)</p>

We then assign a *fuzzy membership* to the condition (taking a value between 0 and 1.0) which provides a subjective evaluation of the degree to which the condition was present in decision-making leading to the blunder. On the basis of inspection of contemporaneous accounts and subsequent inquiries, this indicates our assessment of first whether, and second to what degree, each condition was present in the case. Not only does this enable systematic comparison across cases, it also enables the identification of multiple permutations of combinations of conditions that are associated with a particular output value. These classifications are reported in Table 3. These fuzzy set classifications range from a value of 0.0 in the complete absence of the condition, to 1.0 where there is compelling and incontrovertible evidence of its role in the case.

**Table 3: Fuzzy Sets of Conditions and Severity of Blundering**

Score	Conditions	Outcome
0.0	Complete absence of condition (e.g. absolutely no evidence of Pavlovian politics)	No blunder or mistakes inconsequential
0.1	Minimal presence of condition, and condition not mentioned in accounts of policy decisions (e.g. no suggestion of direct political involvement in decision)	Relatively routine project under-performance against objectives
0.2	Condition weakly present and no evidence for direct contributions to policymaking (e.g. high politics a superficial feature of case)	Minor failures/botches relating to non-critical or tangential aspects of policy/project delivery
0.4	Condition present but only indirectly linked to the case (e.g. constitutional politics sets context of blunder)	Modest failure on one or multiple criteria of policy/program aims or isolated failures contrasted with overall success
0.6	Modest or aggravating factor, but primacy contested (e.g. bureaucratic under-capacity adds to failures of political oversight)	Substantial failure on a single criteria of project evaluation or moderate failure across multiple criteria, some political embarrassment
0.8	Highly present but not decisively observable (e.g. some changes in project design substantially contribute to cost overrun but others do not)	Major and embarrassing project/policy failure against multiple or key criteria
0.9	Substantial presence of condition, and heavily/critically identified in explanations of the case (e.g. technical features of infrastructure project fundamentally linked to the blunder)	Extreme outlier in terms of completion delays or cost overruns
1.0	Compelling/incontrovertible factor (e.g. indisputable lack of capacity at fault for project non-delivery)	Catastrophic project failure and/or abandonment (potentially system-level consequences)

### A COMPARATIVE ANALYSIS OF POLICY BLUNDERS

Before returning to the fsQCA analysis, we describe in more detail the 23 blunders in light of the four theoretical perspectives outlined above. This also provides justification for the scoring of fuzzy-set memberships for the individual conditions underlying the findings. In the subsequent section we present the fsQCA analysis which considers how combinations of these conditions are present in cases of severe policy blunders. Details of the cases, and the basis for our classification, are summarized in the Online Appendix Table A1.

#### *Hyper-excited politics*

As noted, hyper-excited politics are associated with media pressure, moral panics or some form of over-enthusiastic commitment towards a particular policy or project. Among our

cases, there is considerable evidence of politicians or governments making decisions in view of leaving a potential legacy. 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 finalized or properly assessed was considered a factor in cost overruns and subsequent problems experienced in development of the project (for the Dome, which largely came in on budget, it meant the structure was built with little idea of the exhibition content 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: 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).

The prospect of winning the right to host international mega-events, such as the Olympics, is often a trigger for hyper-excited politics as bids make over-optimistic forecasts of costs and economic benefits (Jennings 2012). The London, Montreal and Sochi Olympics were entangled with high politics and the aspirations of leaders at the national or local level to host grand spectacles (e.g. Hille 2014). While political enthusiasm might be a factor in the cases included in this study, it does not explain why politicians are able to mobilize support for some bids, but fail to do so for others; for example, popular resistance underpinned recent decisions by Boston, Oslo, Rome and Hamburg to withdraw from the competitions to host Olympic Games. 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 organized interests. Finally, many 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 to an extent to the desire of the British and French governments to

demonstrate their technological and engineering prowess through the Concorde project in the 1960s. The same applies to 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. Ultimately, no link was ever built in Germany, but the continued political support for such a technology whose expected advantages were increasingly diminished 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. Such a context is said to contribute to 'optimism bias' (Flyvbjerg et al. 2003), leading to 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 and experienced considerable cost overruns. The use of pioneering construction techniques for Montreal's Olympic Stadium likewise contributed to cost overruns (COJO '78). Furthermore, the British-French inter-governmental agreement for Concorde meant that an inherently uneconomic project was persisted with despite its costs rising (giving rise to the term the 'Concorde fallacy' to describe the escalation of commitments despite negative consequences). A similar dynamic in the case of the Dome set the stage for political embarrassment, but did not lead to construction problems.

The desire to make a statement regarding unification and relocation of the German capital to Berlin provided the context 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. This contrasts with the eventual abandonment of the Transrapid project.

Not all our cases include high levels of hyper-excitement. One example is the long-term defense project, the Eurofighter. That project emerged in the context of the Cold War, and was criticized 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.

### *Constitutional dysfunction*

As noted, one of the standard accusations is that constitutional systems generate their own distinct dysfunctions. In our cases, constitutional systems are remarkably absent in shaping policy decisions: different political systems generate similar dynamics and results. The Sydney and Hamburg concert halls display rather similar planning features despite emerging in rather different federal contexts. Likewise, the new Scottish and Australian Parliament buildings experienced similar problems in procurement that were unrelated to their distinct political systems. 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 and Concorde, international projects increased the reluctance to abandon projects or to reject continuous project amendments.

The Millennium Dome was something of an exception; the decision to proceed with the project was 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).

### *Adverse Instrument Choice*

Policy instruments come with their own particular vulnerabilities and side-effects.

Instruments may therefore be exposed to changing fortunes in financial markets, they may be more or less open to demands for adaptation, mission creep or reversal, and they may be open to legal and other forms of contestation. For example 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 where contracting firms withdrew from the project until financial risks had faded.

Projects not associated with fixed prices or penalty clauses for contractors were seen as inevitably inviting cost increases. One of the key charges in construction of the Sydney and Hamburg opera halls was that ongoing technical refinements to designs were waved through by project managers. In contrast, the way in which initial contracts were written reduced incentives for later ‘cheating’ by contractors on Mitterrand’s national library project. 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 involved relationships with private firms. 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 industry. The delay in the introduction of the TollCollect system led to legal battles between the federal

government and the private consortium. The project itself was, without much consultation, renewed in 2014 for a further three years (raising concerns about the too close relationship with industry). However, the very same industry was also pitted against the government in an ongoing legal battle over the federal government's decision to withhold payments in lieu of lost earnings due to the initial project delays. These legal and secretive proceedings began in 2005 and remained unresolved at the time of writing (March 2016).

Most of the processes covered in this study involved the creation of company-type vehicles that sought to manage the process of organizing 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. Some cases were undertaken by government directly (the Bibliothèque nationale de France, Universal Credit and West Coast Main Line rail franchise competition). The key problem in these cases involved the capacity of arms-length vehicles to manage complex processes and to make choices about when to inform political principals about delays and over-runs. The Berlin-Brandenburg airport differs from the other cases, in that the eventual choice followed a court ruling. The development of the Millennium Dome was delegated by government to a private company to build and operate the national exhibition. Similarly prominent was the role of initial instrument choice (franchising) by policy-makers in the case of the West Coast Mainline franchising episode. Perverse incentives generated by a complex franchising system meant that the initial winner of the franchise competition was encouraged to bid on highly optimistic terms with regards of future growth.

More generally, the discretion of policy-makers 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 blundering. However, it is difficult to suggest

that the contextual limits on instrument choice were solely at fault for the extent of blundering we observe. Instruments matter in the sense of introducing their own vulnerabilities and complexities; however, it is difficult to suggest that they were, on their own, responsible for generating policy disasters.

### *Low Administrative Capacity*

As noted, administrative capacity is associated with a willingness to challenge and scrutinize proposals – and to deliver them in terms of coordinating actors, controlling them, and understanding technical and other choices. Across all our cases, it can be questioned as to why senior officials and politicians did not scrutinize proposals more deeply. For example, the West Coast Mainline rail franchising blunder was blamed on a lack of administrative capacity (see Transport 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, the actual calculations were viewed as inaccurate, and the overall management of the process regarded as inappropriate, leading to the specific franchising decision to be reversed and the overall process of franchising to become politicized.

The implementation of Britain's Universal Credit scheme to simplify the system for working-age benefits suffered badly from a high rate of turnover of senior leadership and a lack of IT expertise, along with a 'fortress' mentality among the programme team (National Audit Office 2013). Visitor and ticket sale forecasts for the Dome were also poorly estimated (National Audit Office 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' (Science and Technology 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 was 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 blunders frequently emerged in the context 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 severe blunders simply because ‘the state’ was in charge. Budget forecasting and project management seemed to be problematic for both the public and private sectors. 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.

## FUZZY SET ANALYSIS

This section now turns to the fuzzy set analysis of the 23 cases. fsQCA is a qualitative comparative method based on identifying set-theoretic relations to examine the presence of conjunctions of conditions and particular outcomes (Ragin 2000; 2009; also see Schneider and Wagemann 2012). It first requires the measurement of both our dependent variable, the severity of the blunder, and our independent variables, the presence or absence of each of the four types of conditions. Table 4 presents a summary of all fuzzy set scores for our cases.

**Table 4:** Summary of fuzzy set scores for outcome and conditions

Case	Conditions				Outcome
	Hyper-Excitement	Constitutional Dysfunction	Adverse Instrument Choice	Low Administrative Capacity	Severe Blunder
Berlin Airport	0.8	0.2	0.4	0.9	0.9
TollCollect	0.6	0	0.8	0.4	0.2
Elbphilharmonie, Hamburg	0.8	0	0.8	0.8	0.8
Eurofighter	0.2	0.1	0.6	0.8	0.2
Sydney Opera House	0.8	0.2	0.9	0.8	0.9
Edinburgh Trams	0.6	0.1	0.8	0.9	0.9
Scottish Parliament at Holyrood	0.9	0.2	0.9	0.8	0.8
Big Dig, Boston	0.2	0.1	0.9	0.6	0.8
'Big O' (Stadium for Montreal 1976 Olympics)	0.9	0.2	0.9	0.8	0.9
Olympic Games and Venues, London 2012	0.8	0.2	0.6	0.4	0.4
Millennium Dome	0.9	0.8	0.6	0.6	0.8
Concorde	0.4	0.1	0.8	0.4	0.2
Channel Tunnel	0.2	0.1	0.1	0.4	0.1
Bibliothèque nationale de France	0.9	0.4	0.8	0.2	0.4
Australian Parliament	0.8	0.2	0.9	0.6	0.8
Universal Credit	0.6	0.4	0.8	0.9	0.9
WestCoast Rail Franchise	0.2	0.1	0.6	0.9	0.2
Carrier Strike	0.6	0.8	0.6	0.9	0.6
Transrapid	0.9	0.8	0.2	0.2	0.1
Stuttgart 21	0.6	0.2	0.8	0.2	0.6
Electronic Health Card (Germany)	0.2	0.2	0.4	0.1	0.2
Identity Card Scheme (UK)	0.6	0.4	0.8	0.8	0.6
Sochi 2014 Winter Olympics	0.9	0.8	0.4	0.2	0.4

The calibration of fuzzy set scores is critical for the use of the fsQCA method, and we report further details of our coding evaluations in the Online Appendix. The scores emerged from independent evaluations of the cases by two co-authors that were subsequently moderated. While the exact initial scoring varied between the two authors, there was no inconsistency in the judgement as to whether particular values were above or below the 0.5 point.

Table 4 summarizes this qualitative assessment of the weight of importance of each of these four conditions associated with blunders. Some conditions are more recurrent than others. From inspection of the average membership score for each condition we see that constitutional politics lags behind substantially (at 0.3), compared with instrument choice (0.7), hyper-excited politics (0.6) and administrative capacity (0.6).

### **Necessary conditions for severe policy blunders**

Computational analysis was performed using the QCA 2.5 (Dusa 2007) packages for R deploying standard analysis procedures (see Thiem and Dusa 2013). Table 5(a) and (b) report the analysis of necessary conditions for the outcome of a severe policy blunder and not severe blunder respectively, for each of our four conditions and the negation (~) of that condition. Necessity analysis for logical disjunctions is reported in the online appendix (Tables A6 and A7). ‘Consistency’ indicates whether or not a particular combination of conditions is a consistent subset or superset of the outcome; this is ‘the degree to which cases sharing a given combination of conditions agree in displaying the outcome in question’ (Ragin 2008, p. 44). For example, if 15 out of 20 blunders share the combination of constitutional dysfunction and adverse instrument choice and also display the outcome of a severe blunder the consistency score for that conjunction would be equal to 0.75. Consistency is loosely analogous with a p-value in conventional statistics.

Analytically, it makes sense to consult other parameters of fit for conditions only when consistency thresholds are satisfied. ‘Coverage’ indicates the proportion of the outcome that

can be explained by this combination of conditions; and thus indicates the empirical relevance of a particular condition or combination of conditions. Relevance of necessity is a measure which provides assurances against the triviality of a necessary condition. We use a threshold of a 0.90 consistency score for accepting a condition as *necessary*. As can be seen in Table 5(a), most consistency scores are below 0.90, with the exception of that for instrument choice. We can therefore say that an adverse instrument choice alone is almost always a necessary condition for a severe policy blunder, though some other conditions (e.g. hyper-excitement, low administrative capacity, negation of constitutional dysfunction) are near the 0.90 threshold. Table 5(b) reveals that no single condition is a necessary condition for the outcome of a not-severe blunder, with all consistency scores below 0.90.

**Table 5(a):** Necessary conditions for the outcome of a severe blunder

<b>Condition tested</b>	<b>Consistency</b>	<b>Coverage</b>	<b>Relevance of Necessity</b>
Hyper-excitement (H)	0.890	0.785	0.735
Constitutional dysfunction (C)	0.417	0.803	0.927
Adverse Instrument choice (I)	0.929	0.766	0.679
Low Administrative capacity (A)	0.866	0.809	0.783
~Hyper-excitement (~H)	0.433	0.640	0.823
~Constitutional dysfunction (~C)	0.858	0.665	0.545
~Adverse Instrument choice (~I)	0.402	0.671	0.860
~Low Administrative capacity (~A)	0.433	0.585	0.777

**Table 5(b):** Necessary conditions for the outcome of a not severe blunder

<b>Condition tested</b>	<b>Consistency</b>	<b>Coverage</b>	<b>Relevance of Necessity</b>
Hyper-excitement (H)	0.699	0.500	0.544
Constitutional dysfunction (C)	0.466	0.727	0.901
Adverse Instrument choice (I)	0.757	0.506	0.500
Low Administrative capacity (A)	0.621	0.471	0.566
~Hyper-excitement (~H)	0.699	0.837	0.911
~Constitutional dysfunction (~C)	0.874	0.549	0.471
~Adverse Instrument choice (~I)	0.650	0.882	0.945
~Low Administrative capacity (~A)	0.748	0.819	0.889

### **Sufficient conditions for severe policy blunders**

Our analyses of sufficient conditions for the outcome of a severe policy blunder are reported in Table 6, while truth tables are reported in the online appendix (Tables A2 and A3). Table 6 describes those subsets of conditions that are sufficient for occurrence of a policy blunder. For the ‘conservative’ solution, no assumptions are made about truth table rows where there are no empirical examples (logically possible combinations of conditions that are not reflected in our cases). We can see that the subset for the first solution – the presence of hyper-excitement, low administrative capacity and the negation of constitutional dysfunction ( $H^* \sim C^* A$ ) exceeds the 0.90 threshold of consistency – as does that for the second solution – that is, the combination of hyper-excitement, adverse instrument choice and low administrative capacity ( $H^* I^* A$ ). Both these combinations provide over 0.70 coverage of membership in the outcome, indicating that the presence of these conditions are significantly and substantially associated with severe policy blunders.

**Table 6:** Sufficient conditions for the outcome of a severe blunder (conservative solution)

Solution	H*~C*A	H*I*A
Single case (blunder) coverage	Berlin Airport, Elbe, Sydney Opera House, Holyrood, Big O, Edinburgh Trams, Australian Parliament, Universal Credit, Identity Card Scheme	Elbe, Sydney Opera House, Holyrood, Big O, Edinburgh Trams, Millennium Dome, Australian Parliament, Universal Credit, Carrier Strike, Identity Card Scheme
Consistency	0.938	0.950
Raw coverage	0.717	0.748
Unique coverage	0.031	0.062
Solution consistency	0.943	
Solution coverage	0.780	

Note: The consistency threshold has been set at 0.95. The next highest consistency score is 0.82. ‘~’ indicates negation of condition.

The conservative solution therefore suggests two possible pathways to severe blunders, which can be better understood via selected cases. The Scottish Parliament at Holyrood provides a good illustration of the conjunction of hyper-excitement, low administrative capacity and the negation of constitutional dysfunction (H\*~C\*A). In this case, political desire to accelerate the project (to ensure the irreversibility of Scottish devolution) led to an under-estimation of costs and project risks. At the same time, fast-tracking of the procurement process and use of a private finance initiative left the project open to risk (Audit Scotland 2004; Fraser 2004). The cost of the project was further increased by changes in the design by the client. It was these conditions, not the newly established system of devolved government in Scotland, that led to the large cost overrun and delay on the project.

The UK’s Millennium Dome offers a good example of the conjunction of hyper-excitement, adverse instrument choice and low administrative capacity (H\*I\*A). Here, the decision to proceed with the project by the newly elected Labour government in 1997 was a product of high politics, with Prime Minister Tony Blair overriding opposition in cabinet. Additionally, the attempt to finance the project on a private basis, via commercial revenues, led to reliance

on ticket sales and sponsorship – with over-optimistic projections and problems in delivering the project contributing to financial difficulties experienced in 2000. In this particular case, the lack of checks and balances in the Westminster system that enabled hyper-politicization (H) is consistent with constitutional dysfunction (C), but is not a feature shared across other cases combining the three conditions (H\*I\*A).

It is also possible to consider the ‘parsimonious’ solution. This permits use of counterfactuals not observed in the data, but that are mathematically possible. The parsimonious solution is reported in Table 7 and reveals that the solution of hyper-excitement plus low administrative capacity (H\*A) is a sufficient condition with 0.94 consistency and 0.78 coverage. This would indicate that a substantial proportion of our cases of severe policy blunders exhibit these two core conditions. This particular simplifying assumption may be somewhat difficult to make theoretically as it would require acceptance that adverse instrument choice also displays the outcome in the counterfactual, which logically contradicts the statement that adverse instrument choice is necessary for a severe blunder.

**Table 7:** Sufficient conditions for the outcome of a severe blunder (parsimonious solution)

<b>Solution</b>	<b>H*A</b>
Single case (blunder) coverage	Elbe, Sydney Opera House, Holyrood, Big O, Edinburgh Trams, Millennium Dome, Australian Parliament, Universal Credit, Carrier Strike, Identity Card Scheme
Consistency	0.943
Raw coverage	0.780
Unique coverage	0.780
Solution consistency	0.943
Solution coverage	0.780

Note: The consistency threshold has been set at 0.95. The next highest consistency score is 0.82.

**Table 8:** Sufficient conditions for not severe blunders (conservative solution)

Solution	$\sim C * I * \sim A$	$\sim H * \sim C * \sim A$	$H * C * \sim I * \sim A$
Single case (blunder) coverage	Concorde, TollCollect, London 2012, Bibliothèque National de France, Stuttgart21	Channel Tunnel, Electronic Health Card (Germany), Concorde	Transrapid, Sochi 2014.
Consistency	0.853	0.945	0.951
Raw coverage	0.563	0.505	0.379
Unique coverage	0.107	0.087	0.097
Solution consistency	0.865		
Solution coverage	0.748		

**Table 9:** Sufficient conditions for not severe blunders (parsimonious solution)

Solution	$\sim A$
Single case (blunder) coverage	Concorde, TollCollect, London 2012, Bibliothèque National de France, Stuttgart21, Channel Tunnel, Electronic Health Card (Germany), Transrapid, Sochi 2014.
Consistency	0.819
Raw coverage	0.748

It is also possible to consider sufficient conditions for the outcome of non-severe blunders. For not severe blunders the most conservative solution, reported in Table 8, describing only what is empirically observed can be summarized as  $\sim A(\sim C * I + \sim H * \sim C + H * C * \sim I)$ . A high administrative capacity ( $\sim A$ ) is a necessary part of all possible sufficient conjunctions for the outcome. In fact, assumptions on logical remainders allow the reduction of the solution to this single term suggesting it is possible that high administrative capacity alone is sufficient for the blunder to avoid severe and catastrophic outcomes, as shown by the parsimonious solution in Table 9.

## Discussion

The summary of features of the individual cases combined with the fuzzy set analysis offers certain insights into the conditions associated with government blunders. First and foremost, constitutional features do not alone explain why policy blunders occur. Accusations of limited political oversight emerge across all political systems. The recurring problem across our cases was general deficiency of government in monitoring the performance of those responsible for the delivery of major public policies and projects – unrelated to constitutional politics. Indeed, things tend to go wrong mostly due to combined complexities of policy-making and project management, rather than simply because constitutional systems give rise to a lack of political interest or scrutiny.

Similarly, blunders do not result just from hyper-excitement: politicians might prefer to engage in funding promises, legislative initiatives or regulatory knee-jerks. 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, and constructing iconic monuments, which encourages 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. The analysis shows that where administration is not resilient to the overreaches created by adverse instrument choices in hyper-excited politics, policy blunders will have more acute consequences. Previous studies have identified severe symptomatic impacts at the system-level as causes, whereas cross-case analysis reveals that the politics implied by constitutional variance is not relevant to explaining the occurrence of major policy disasters.

In sum, it is a combination of factors that accounts for blunders. The combination of hyper-excited politics *and* administrative capacities explains a large number of our cases - and these range from the construction of prestigious buildings to defense and other industrial politics-

related projects to large-scale technological programmes for welfare policy. Combined with these core conditions, it is the *negation* of constitutional politics or the inclusion of instrument choice that explain severe policy blunders. As noted, the adverse choice of instrument was found to be an almost always necessary condition for severe blunders. The explanation for the negation of severe blunders suggests that blundering is ameliorated by high administrative capacity in combination with other conditions (e.g. the absence of constitutional dysfunction and adverse instrument selection).

## **Conclusion**

This study has concentrated on the factors associated with major government blunders. This approach is generalizable to the study of policy blunders across a wider set of domains and jurisdictions, and similarly it can be extended to the study of the conditions associated with policy ‘success’ (i.e. ‘what works’) (Bovens et al. 2001; McConnell 2010). 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 blundering, for example, ill-coordinated responses after natural disasters or lack of responsiveness to institutional abuse of vulnerable individuals.

Nevertheless, some broader insights emerge from our analysis. One is that constitutional features do not seem to matter when it comes to severe government blunders, at least not in the ways emphasized by the single country literature. That is, different constitutional systems resorted to similar highly complex technical fixes, they were attracted to mega-events, and they were prone to cost and time overruns. These phenomena also emerged at different points in time. This suggests that the widespread criticism regarding the US and British political systems (or any other) in terms of being blunder-prone requires further consideration. It also calls for a reconsideration of those claims that have suggested a recent rise in blunders due to

cutbacks or public service reforms. Therefore, this study also has potential implications for the study of policy success and failure more generally (Marsh and McConnell 2010; Bovens and 't Hart 2016). One possible application would be to start the analysis for a pre-registered sample of policies and projects at a  $t=0$  and continuously take 'temperature readings' as to the degree of success or failure and the presence or absence of conditions.

A further insight is that our study pointed to elements of hyper-excited politics in that systems were open to the temptation of engaging in iconic and legacy politics. Blunder as a result of initial reputational or prestige-seeking policy choices features across political systems. In addition, those projects that reflect particularly prominent 'solutions hunting for problems' seem open to policy blunders, as solutions reflect 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 organizational forms, with both state and industry-led projects in our sample.

In other words, blundering is not an inherently system-specific feature, but one that occurs across political 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 by complexities and ambiguities inherent in 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 <i>Severity = 0.9</i>	<p>Long-term delay in opening of new airport, technical problems with the structure relating to health and safety. High visibility, high cost/time overruns.</p> <p>Total cost of €5.4bn (estimated), escalated from an initial €2.9bn.</p>	<p>Wider context at the outset. Initial enthusiasm in context of unification and subsequent move of capital.</p> <p>Need to maintain 'low cost' said to lead to under-capacity airport with high complexity technology.</p> <p>[0.8]</p>	<p>Mixed project involving two Land governments and federal government, leading to accusation of responsibility diffusion; constitutional and administrative court reviews.</p> <p>[0.2]</p>	<p>Highly constrained due to EU provisions. The initial choice of a private consortium, led by Hochtief, to construct the airport was overruled by a court ruling. This was outside the control of policy-makers and led various governments to take on responsibility for the project.</p> <p>[0.4]</p>	<p>Questions about lack of oversight over project.</p> <p>Delivery capacity also limited as no overall oversight</p> <p>[0.9]</p>
Toll Collect, Germany <i>Severity = 0.2</i>	<p>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.</p> <p>Court battle over €7.5bn</p>	<p>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.</p> <p>[0.6]</p>	<p>No</p> <p>[0]</p>	<p>Private consortium allocation/contractual relations seen as highly problematic and lead to continuous legal challenges.</p> <p>First round had failed initially.</p> <p>[0.8]</p>	<p>Accusation that deal favours private consortium; internal criticism overruled by minister; need to deliver 'contract' means no enforcement powers over private consortium.</p> <p>[0.4]</p>

<p>Elbe Philharmonic, Germany <i>Severity = 0.8</i></p>	<p>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.</p>	<p>Prestige building in previously declining part of the city.  [0.8]</p>	<p>No  [0]</p>	<p>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  [0.8]</p>	<p>Rege (loco) loses control over process, gets overwhelmed by changes by architect.  [0.8]</p>
<p>Eurofighter <i>Severity = 0.2</i></p>	<p>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.</p>	<p>No. More a product of close relationship between politics and military-industrial complex (in late 1980s Bavaria part-owner of manufacturer).  [0.2]</p>	<p>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)  [0.1]</p>	<p>No  [0.6]</p>	<p>Lack of expert oversight in manufacturer to control quality - problems are found by safety regulator.  Closeness of Ministry of Defence to industry.  [0.8]</p>

<p>Sydney Opera House (1955-1973)</p> <p><i>Severity = 0.9</i></p>	<p>Massively over-budget (cost overrun of 1,400%); completed ten years later than originally planned.</p>	<p>Support for the project from NSW Government and Premier. Keeness to get project started meant that construction started while designs were still being drawn up.</p> <p>[0.8]</p>	<p>No. Project led by state government (NSW Government) and financed through a state lottery.</p> <p>[0.2]</p>	<p>Design competition (1955-1957). Private project construction firm Civil &amp; 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).</p> <p>[0.9]</p>	<p>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.</p> <p>[0.8]</p>
<p>Edinburgh Trams project (2003-2014)</p> <p><i>Severity = 0.9</i></p>	<p>Originally costed at £375 million (2003), estimated final cost over £1 billion (cost overrun of almost 300%).</p> <p>Completion dates slipped from 2011 to 2014 (three years).</p> <p>2/3<sup>rd</sup> of planned lines built</p>	<p>City Council was intent on construction of a tram network (also fitted with climate change agenda).</p> <p>[0.6]</p>	<p>No. Project initiated by the Labour-led Scottish Executive in 2003 (devolved government).</p> <p>SNP minority government tried to scrap the project after it was elected in 2007, but was blocked by the other parties.</p> <p>[0.1]</p>	<p>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.</p> <p>[0.8]</p>	<p>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.</p> <p>[0.9]</p>

<p>Scottish Parliament at Holyrood (1997-2004)</p> <p><i>Severity = 0.8</i></p>	<p>Cost overrun of 1,000%, completed three years late.</p>	<p>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.</p> <p>[0.9]</p>	<p>Newly established system of devolved government in Scotland.</p> <p>[0.2]</p>	<p>Publicly financed, contractors secured through tendering process, a joint venture between EMBT and RMJM Ltd.</p> <p>Fast-tracking procurement, instead of PFI, left project open to risk.</p> <p>[0.9]</p>	<p>Procurement process led the project to 'cost what it cost'.</p> <p>Major changes in the client requirement for the area and layout of parts of the building.</p> <p>[0.8]</p>
<p>Boston's Big Dig (1982-2007)</p> <p><i>Severity = 0.8</i></p>	<p>Cost overrun of 500%, completion date slipped from 1998 to 2007 (nine years late). Problems with construction standards, safety and fraud by contractors.</p>	<p>Limited political intervention in the project. Presidential veto in 1982, but appropriation given Congressional approval soon after.</p> <p>[0.2]</p>	<p>Federal funding of construction works, delivered through a partnership between the Massachusetts Turnpike Authority and private programme manager Bechtel/Parsons Brinckerhoff.</p> <p>[0.1]</p>	<p>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.</p> <p>[0.9]</p>	<p>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).</p> <p>[0.6]</p>

<p>Olympic Stadium, Montreal (1970-1976)</p> <p><i>Severity = 0.9</i></p>	<p>Cost overrun of 1,250%; problems with completion; labour disputes disrupted progress of the project; inflation of the cost of building materials.</p>	<p>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.</p> <p>[0.9]</p>	<p>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.</p> <p>[0.2]</p>	<p>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.</p> <p>[0.9]</p>	<p>Changes in technical specification of Velodrome (due to subsoil), commodity price inflation and general price shocks.</p> <p>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.</p> <p>[0.8]</p>
<p>Olympic Games and Venues, London (2003-12)</p> <p><i>Severity = 0.4</i></p>	<p>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.</p>	<p>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.</p> <p>[0.8]</p>	<p>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.</p> <p>[0.2]</p>	<p>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).</p> <p>[0.6]</p>	<p>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).</p> <p>[0.4]</p>

<p>Millennium Dome (1992-2001)</p> <p><i>Severity = 0.8</i></p>	<p>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.</p>	<p>Tony Blair considered it the 'first paragraph' of his re-election manifesto, overriding majority of opposition from Cabinet.</p> <p>[0.9]</p>	<p>Decision taken in Cabinet at instigation of the Prime Minister (Deputy Prime Minister ensured Cabinet backing).</p> <p>Transition between Major and Labour governments caused problems with project development (created high level of uncertainty in developing plans for millennium exhibition).</p> <p>[0.8]</p>	<p>The New Millennium Experience Company (NMEC), financed through Millennium Commission grants and commercial revenues from ticket sales and sponsors.</p> <p>[0.6]</p>	<p>Shortfalls against expected revenue from ticket sales and sponsorship.</p> <p>Additional grants from the Millennium Commission to keep the project afloat exceeded the cost of cancellation.</p> <p>[0.6]</p>
<p>Concorde (1962-1976)</p> <p><i>Severity = 0.2</i></p>	<p>Cost overrun of 1,100%.</p>	<p>Symbolic concerns of British and French governments over demonstrating technological and engineering prowess.</p> <p>[0.4]</p>	<p>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.</p> <p>[0.1]</p>	<p>Joint venture between private companies, British Aircraft Corporation (BAC) and Aérospatiale.</p> <p>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.</p> <p>[0.8]</p>	<p>Cost of cancellation cheaper than continuing with project known to be uneconomic (some uncertainty over legal liability according to the treaty between the countries).</p> <p>[0.4]</p>
<p>Channel Tunnel (1981-1994)</p> <p><i>Severity = 0.1</i></p>	<p>Cost overrun of 80%; completed one year late.</p>	<p>British Government not interested in funding the project. Supported private leadership of it.</p> <p>[0.2]</p>	<p>No.</p> <p>[0.1]</p>	<p>Privately financed venture, delivered on a 'BOOT' basis (build-own-operate-transfer).</p> <p>[0.1]</p>	<p>Changes to the technical specification of the project in relation to environmental factors, safety and security.</p> <p>[0.4]</p>

<p>Bibliothèque nationale de France</p> <p><i>Severity = 0.4</i></p>	<p>Project hit by cost overruns and technical difficulties with its high rise design.</p> <p>Cost approaching \$2 billion</p>	<p>Project announced on 14 July 1988, by President François Mitterrand. Large, ambitious project. One of the 'Grand Projets' of Francois Mitterrand – programme to create modern monuments in Paris. Socialist government's agenda focused on cultural politics/production. (Personally inspected materials used for the Louvre Pyramid).</p> <p>Crash contract so no new president could alter plans.</p> <p>[0.9]</p>	<p>Presidential influence over the project a factor. Projects under the Ministry of Culture, overseen by a senior official Emile Biasini.</p> <p>[0.4]</p>	<p>Ambitious, technical designs using high quality materials. High rise design proved problematic.</p> <p>[0.8]</p>	<p>[0.2]</p>
<p>Australian Parliament House (1978-1988)</p> <p><i>Severity = 0.8</i></p>	<p>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.</p> <p>Supposed to be completed by 26 January 1988 (the bicentenary of European settlement of Australia) but finally opened 9 May 1998.</p>	<p>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.</p> <p><i>"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).</i></p> <p>[0.8]</p>	<p>Direct accountability of the Parliament House Construction Authority (PHCA) to Parliament and Cabinet via the Minister for the Capital Territory.</p> <p>[0.2]</p>	<p>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.</p> <p>Scope creep in the technical specification; changes to user requirements were a major factor in cost overruns.</p> <p>[0.9]</p>	<p>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.</p> <p>[0.6]</p>

<p>Universal Credit (2010-) <i>Severity = 0.9</i></p>	<p>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.</p> <p>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.</p>	<p>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).</p> <p>Also alleged that the Minister or his aides have briefed against the DWP permanent secretary (New Statesman, 11 April 2014).</p> <p><i>“When setting up the programme the Department adopted an ambitious timetable for national roll-out from October 2013.” (NAO 2013, p.7).</i></p> <p><i>“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).</i></p> <p>[0.6]</p>	<p>The Welfare Reform Act delegated operational details of Universal Credit to statutory instruments.</p> <p>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.</p> <p><i>“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).</i></p> <p>[0.4]</p>	<p>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.</p> <p>Concerns raised that the new system is unable to handle changes in circumstances and complicated cases, so these will have to be processed manually.</p> <p><i>“Throughout the programme the Department has lacked a detailed view of how Universal Credit is meant to work.” (NAO 2013, p.8).</i></p> <p>[0.8]</p>	<p>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”.</p> <p><i>“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).</i></p> <p><i>“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).</i></p> <p>[0.9]</p>
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<p>Collapse of the West Coast Main Line rail franchise competition (2011-2014)</p> <p>Severity = 0.2</p>	<p>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.</p> <p>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.</p> <p>Estimated cost of reimbursing the four bidders around £40 million.</p>	<p>Over-ambitious policy in view of departmental capacity and resources. Political haste by new government in introducing major reform to the franchising regime.</p> <p><i>The Transport Select Committee (TSC) noted “lessons for ministers in terms of more realistically matching policy ambition to departmental capacity and resources” (TSC 2013, p. 3)</i></p> <p><i>“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)</i></p> <p>[0.2]</p>	<p>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” (TSC 2013, p. 8). Failures due to internal processes/checks not having worked, not due constitutional design.</p> <p><i>“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” (TSC 2013, p.7)</i></p> <p>[0.1]</p>	<p>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).</p> <p>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).</p> <p>[0.6]</p>	<p>At £5.5 billion, “probably the biggest single contract DfT had ever attempted to award” (TSC 2013, p. 7).</p> <p>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” (TSC 2013, p. 8). Project was given a green rating by the Major Projects Authority after a review of the franchise competition.</p> <p>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).</p> <p>[0.9]</p>
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<p>Carrier Strike, UK (2007-2020)</p> <p>Severity = 0.6</p>	<p>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.</p> <p>Beyond this, there has been a total cost increase for Carrier Strike of £2.6 billion (NAO 2014, p. 13).</p>	<p>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.</p> <p>[0.6]</p>	<p>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.</p> <p><i>“The Department attributed these mistakes, which have cost taxpayers at least £74 million, to the process being rushed and secret.” (PASC 2013, p. 5).</i></p> <p>[0.8]</p>	<p>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.</p> <p><i>“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).</i></p> <p>[0.6]</p>	<p>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).</p> <p>[0.9]</p>
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<p>Transrapid, Germany <i>Severity = 0.1</i></p>	<p>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.</p>	<p>Hyper-excited politics on various occasions, most famously Edmund Stoiber's enthusiasm as Bavarian prime minister for service to airport (<a href="https://www.youtube.com/watch?v=f7TboWvVERU">https://www.youtube.com/watch?v=f7TboWvVERU</a>). Regularly championed as symbol of German industrial innovation - promotion of high tech for export.</p> <p>[0.9]</p>	<p>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).</p> <p>[0.8]</p>	<p>Highly optimistic costings that are not updated to reflect rise in construction costs/compliance costs regarding environmental regulation.</p> <p>[0.2]</p>	<p>Lack of understanding of cost reductions in air travel and technological potential in conventional rail travel.</p> <p>[0.2]</p>
<p>Stuttgart 21, Germany <i>Severity = 0.6</i></p>	<p>Ongoing railway station reconstruction 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.</p>	<p>Not high - but supporters highlight that railway station and its redesign is essential for local/regional competitiveness.</p> <p>[0.6]</p>	<p>Intergovernmental politics despite railways being a 'federal' matter.</p> <p>[0.2]</p>	<p>None - conflict over plans and early construction, not overall project delivery.</p> <p>[0.8]</p>	<p>Mostly lack of control within Deutsche Bahn.</p> <p>[0.2]</p>

<p>Electronic Health Card, Germany <i>Severity = 0.2</i></p>	<p>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.</p>	<p>Limited political interest, largely to promote networked health services and less abuse.  [0.2]</p>	<p>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.  [0.2]</p>	<p>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.  [0.4]</p>	<p>None  [0.1]</p>
<p>National Identity Card Scheme (2002-2010), UK <i>Severity = 0.6</i></p>	<p>Scheme scrapped in May 2010, having cost an estimated £4.5 billion during its lifetime, never having been fully rolled out.</p>	<p>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).  [0.6]</p>	<p>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.)  [0.4]</p>	<p>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).  [0.8]</p>	<p>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).  [0.8]</p>

<p>Sochi 2014 Winter Olympics (2007-2014), Russia</p> <p><i>Severity = 0.4</i></p>	<p>Cost escalated from the planned \$12 billion to over \$51 billion (an increase of around 400%).</p>	<p>Project conceived as a grand legacy project for President Putin, and as a high prestige global event.</p> <p>[0.9]</p>	<p>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).</p> <p>[0.8]</p>	<p>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).</p> <p>[0.4]</p>	<p>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.</p> <p>[0.2]</p>
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**Table A2:** Truth Tables, Outcome: Severe Blunders

Case	Conditions				Outcome	N	Incl	PRI
	Hyper-Excitement	Constitutional Dysfunction	Adverse Instrument Choice	Low Administrative Capacity	Severe Blunder			
Millennium Dome, Carrier Strike	1	1	1	1	1	2	0.979	0.923
Berlin Airport	1	0	0	1	1	1	0.957	0.778
Elbe, Sydney Opera House, Edinburgh Trams, Scottish Parliament, 'Big O', Australian Parliament, Universal Credit, Identity Card Scheme (UK)	1	0	1	1	1	8	0.946	0.900
Concorde	0	0	1	0	0	1	0.826	0.273
TollCollect, London 2012, Bibliothèque nationale de France, Stuttgart 21	1	0	1	0	0	4	0.817	0.353
Eurofighter, Big Dig, WestCoast Rail Franchise	0	0	1	1	0	3	0.800	0.500
Transrapid, Sochi 2014	1	1	0	0	0	2	0.780	0.182
Channel Tunnel, Electronic Health Card (Germany)	0	0	0	0	0	2	0.775	0.000

**Table A3:** Truth Tables, Outcome: Not Severe Blunder

Case	Conditions				Outcome	N	Incl	PRI
	Hyper-Excitement	Constitutional Dysfunction	Adverse Instrument Choice	Low Administrative Capacity	Not Severe Blunder			
Channel Tunnel, Electronic Health Card (Germany)	0	0	0	0	1	2	1.000	1.000
Transrapid, Sochi 2014	1	1	0	0	1	2	0.951	0.818
Concorde	0	0	1	0	1	1	0.935	0.727
TollCollect, London 2012, Bibliothèque nationale de France, Stuttgart 21	1	0	1	0	1	4	0.900	0.647
Berlin Airport	1	0	0	1	0	1	0.848	0.222
Eurofighter, Big Dig, WestCoast Rail Franchise	0	0	1	1	0	3	0.800	0.500
Millenium Dome, Carrier Strike	1	1	1	1	0	2	0.745	0.077
Elbe, Sydney Opera House, Edinburgh Trams, Scottish Parliament, 'Big O', Australian Parliament, Universal Credit, Identity Card Scheme (UK)	1	0	1	1	0	8	0.511	0.100

**Table A4:** Simplifying Assumptions for the Parsimonious Solution, Outcome: Severe Blunder

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<b>Conditions</b>			
<b>Hyper-Excitement</b>	<b>Constitutional Dysfunction</b>	<b>Adverse Instrument Choice</b>	<b>Low Administrative Capacity</b>
1	1	0	1

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**Table A5:** Simplifying Assumptions for the Parsimonious Solution, Outcome: Not Severe Blunder

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<b>Conditions</b>			
<b>Hyper-Excitement</b>	<b>Constitutional Dysfunction</b>	<b>Adverse Instrument Choice</b>	<b>Low Administrative Capacity</b>
0	1	0	0
0	1	1	0
1	0	0	0
1	1	1	0

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**Table A6:** Necessary Conditions for Severe Blunder

<b>Disjunction</b>	<b>Inclusion</b>	<b>Relevance of Necessity</b>	<b>Coverage</b>
(I)	0.929	0.679	0.766
(~C) + (A)	0.953	0.540	0.669
(~C) + (~I)	0.906	0.452	0.646
(C) + (A)	0.921	0.681	0.765
(~H) + (A)	0.906	0.670	0.752
(H) + (~A)	0.906	0.600	0.714
(H) + (A)	0.976	0.519	0.709
(H) + (~C)	0.961	0.333	0.629
(~H) + (~C) + (~A)	0.906	0.409	0.628

Note: hyper-excitement (H), constitutional dysfunction (C), adverse instrument choice (I), low administrative capacity (A)

**Table A7:** Necessary conditions for Not Severe Blunder

<b>Disjunction</b>	<b>Inclusion</b>	<b>Relevance of Necessity</b>	<b>Coverage</b>
(I) + (~A)	0.922	0.415	0.546
(~C) + (~A)	0.971	0.377	0.552
(~C) + (~I)	0.990	0.406	0.573
(~C) + (I)	0.913	0.338	0.511
(~H) + (~A)	0.942	0.789	0.776
(~H) + (I)	0.903	0.445	0.550
(H) + (~C)	1.000	0.283	0.531
(C) + (I) + (A)	0.903	0.336	0.505
(H) + (~I) + (A)	0.922	0.341	0.516
(H) + (I) + (A)	0.913	0.294	0.495

Note: hyper-excitement (H), constitutional dysfunction (C), adverse instrument choice (I), low administrative capacity (A)

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