Assessing the Third Generation in Policy Diffusion Studies: Two Steps Forward and One Step Back?

Michael Howlett, 
Department of Political Science, 
Simon Fraser University, 
Burnaby BC, 
Canada V5A 1S6, 
howlett@sfu.ca

Jeremy Rayner, 
Department of Political Science, 
Malaspina University College, 
Nanaimo BC 
Canada V9R 5S5 
rayner@mala.bc.ca

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Abstract:

Three features of the Gilardi/Meseguer account of the merits of third generation diffusion research require evaluation. First, conceptualization of policy diffusion is considered a task completed by the first two “generations”. Second, the work of the second generation is located against the background of globalization, democratization and the trend towards the adoption of market instruments. And, third, methodological sophistication is equated with the development of large-n empirical methodologies. Our paper discusses each of these features in turn. We argue that the development of diffusion studies remains seriously hindered by a focus on diffusion mechanisms at the expense of clarity about the dependent variable; second, that the peculiar interest of the second generation in measuring the impact of large-scale diffusion mechanisms such as democratization, globalization, market orientation, etc., has led to an unfortunate focus on the adoption of particular instruments and “settings”; and third, that when we expand “what” is being diffused to include policy goals and objectives, advancing beyond the second generation requires a more plural methodological framework, including both thick descriptions and comparative small-n case studies. These points are illustrated with contemporary examples of reconstructing the diffusion of new ‘integrated’ and ‘coherent’ mixes of regulatory and market instruments in the form of Integrated Coastal Zone Management (ICZM) in Europe.

1. Introduction

Gilardi and Meseguer, in their call for papers for this workshop, propose a genealogical metaphor for policy diffusion studies, starting with first generation efforts at conceptualization, proceeding through the second generation’s project to empirically test various hypothetical diffusion mechanisms, and arriving at a third generation attempting to come to terms with the rather messy picture of uneven diffusion and complex diffusion mechanisms bequeathed by their (metaphorical) predecessors.

Three features of the Gilardi/Meseguer account of the challenges facing third generation diffusion research stand out. First, conceptualization of policy diffusion is considered a task completed by the first two “generations”. Second, the work of the second generation is located against the background of large-scale political processes such as globalization, democratization, the trend towards the adoption of market instruments, and the subsequent “reregulation”. And, third, methodological sophistication
is equated with the further development and refinement of large-n empirical methodologies.

This paper discusses each of these features in turn. We argue, first, that the development of diffusion studies remains seriously hindered by a focus on diffusion mechanisms at the expense of clarity about the dependent variable; “what” is being diffused is sometimes lost in the concern for “how” diffusion takes place. Conceptualization of this dimension of diffusion studies has not been completed but remains as important as ever. We show, second, how the peculiar interest of the second generation in identifying and measuring the impact of large-scale diffusion mechanisms such as globalization and market orientations has led to an unfortunate focus on specific individual policy elements of market-oriented regimes as the key dependent variables of diffusion studies (Gilardi 2005; Gilardi et al. 2005). Such a focus on individual policy elements tends to obscure the fact that this period witnessed not so much the development of new policy instruments or revised instrument settings but new instrument ‘mixes’ and policy styles which combine state and market-based procedural and substantive instruments in new ways. Thirdly, we argue that when we expand “what” is being diffused to include policy goals and objectives as well as instruments and settings, we can see that advancing beyond the already somewhat dated concerns of the second generation requires a more plural methodological framework, including both thick descriptions and comparative case studies as well as large-n quantitative studies.

To illustrate these points we connect third-generation diffusion studies with contemporary developments in politics and policy, notably the emergence and diffusion of new ‘integrated’ and ‘coherent’ mixes of regulatory and market instruments (Pierre and Peters 2005; Evers and Wintersberger 1990; Evers 2005). To provide examples of the kinds of conceptual and methodological challenges that are raised by these new policy mixes, we look specifically at the diffusion of Integrated Coastal Zone Management (ICZM) in Europe (Howlett and Rayner 2006a and 2006b). Understanding the development and diffusion of these “new governance arrangements” illustrates the need to include a place for alternate methodologies to large-n studies of policy components or “settings” in diffusion studies.
2. The Genealogical Model: First, Second and Third Generation Diffusion Studies

The study of diffusion is to a significant extent a question of unpacking a series of suggestive metaphors, including, of course, that of “diffusion” itself. Ironically, the chief pitfall of the “diffusion” metaphor, namely, its suggestion of continuous, predictable motion spreading outwards from an original disturbance, is also the drawback of the metaphor of “generations” of diffusion studies. In real life, the history of diffusion studies, like the history of policy change, is a series of discontinuous and disorderly sequences that overlap and repeat, creating a complex pattern that is closer to the Wittgensteinian idea of “family resemblance” than it is to an orderly passage from one generation to another. Thus, the earliest explicit diffusion studies, long predating the “first generation” of conceptual clarifiers, were American and concerned with policy transfers among U.S. states and, later, countries. (Walker 1969; Wilensky 1975). Many of the second-generation methodologies derive from the path breaking work of Berry and Berry (1990, 1999) in this same American empirical tradition; and there remains, of course, a continuing interest in the diffusion of policies and institutions among US states and counties that is the direct lineal descendant of this early work (Studlar 1999; Sharp 1994a and 1994b).

Nonetheless, in its suggestion of particular sequences, the genealogical metaphor captures several important features of more recent interest in diffusion, especially in the context of the productive convergence of comparative politics and international relations that took place in the 1990s (Risse Kappen 1996), identifying such large scale patterns of change as “the diffusion of market economic policies” or the spread of “regulatory capitalism” (Thatcher 1999; Jordana and Levi-Faur, 2004; Meseguer 2005; King 2005). Again, rather than being superceded by a new generation of diffusion studies, this interest in the spread of large-scale patterns of change continues. In fact, we take it to be the central development in recent diffusion studies. This interest in large scale change raises a series of problems that were identified but not resolved by the almost contemporaneous “first generation”, who were working on conceptual clarification of issues surrounding “transfer”, “convergence”, and diffusion (Bennett 1991 and 1997, Bennett and Howlett 1992) and which also attracted second generation analysts (Rose 1991 and 1993; Stone
For third generation studies it suggests the need for broader historical studies than has hitherto been the case.

In understanding why this important dimension of diffusion studies has been ignored by third generation scholars, the first focus of this paper is on a key problem that has affected both second and third generation diffusion studies: continuing confusion about the dependent variable or what is changing and/or diffusing. Sometimes the ambition is to track very large scale changes in policy regimes or a “new regulatory order” directly and sometimes to study components of these regimes, such as privatization policies, or key institutions such as independent regulatory agencies or independent central banks that may be used as indicators of the spread of a new policy regime (Coleman 1996, Eisner 1994, King 2005). Other studies look at associated “policy styles” such as adversarial legalism or the accountability movement (Vogel 1986, Kagan 1991; Howlett 2000). Still other studies look at the adoption of specific policy instruments such as the “new environmental policy instruments” or NEPI’s that have been so closely observed in the European context, or even instrument settings like tax rates (Zito et al. 2003, Knill and Lenschow 2005). All are described as elements of something called “policy” and, sometimes, as “policy” itself. Whatever the subject of study, “it” is assumed to be the kind of phenomenon that is both subject to change and capable of preserving its essential identity in the face of change and across different contexts, such that its dispersal across these contexts could usefully be characterized as the “diffusion” of a policy or policy element.

This confusion of units or levels of analysis, however, makes it very difficult to develop a clear and coherent theory of policy diffusion. Some clarification of the nature of the dependent variable is still in order.

2.1. Conceptualizing the Dependent Variablen: Enduring Lessons of the First Generation

Peter Hall’s widely-cited discussion of social learning (Hall 1993) was important to the literature on policy change and policy dynamics for a number of reasons, not least the important distinctions it drew between the means and ends of policy-making and
between abstract and concrete aspects of policy outputs (Campbell 1998; Daugbjerg 1997; Daugbjerg and Marsh 1998). As is well known, Hall identified three types or "orders" of change: first order change in which only the “settings” or calibrations of policy instruments vary; second order change in which the types of instruments used to effect policy are changed; and third order change in which the goals of policy are altered.

Examples of first order changes would include increasing the safety requirements automobile manufacturers must follow or altering the level of allowable emissions from a factory. In these examples, second order changes might involve such actions as adding or substituting financial incentives for regulation in the traffic safety field or changing the type of instrument used in pollution control, such as moving from an administered emission standard to the imposition of a tax on emissions. Third order changes would involve a shift in policy goals, such as moving away from a focus on private vehicles to one on public transit in the traffic safety area or, in the pollution case, a shift from a focus upon *ex post* end-of-pipe regulation to a focus upon *ex ante* preventative production process design.

Hall’s approach is useful because it focused attention on better defining what had been a conflated dependent variable (“policy”) in most previous discussions of policy dynamics (Heclo 1976; Hogwood and Peters 1993) and it illustrated the importance in linking theories of policy change to different orders or levels of policy dynamics, revealing that dynamics at different levels could have very different causal explanations. Indeed, Hall argued that third-order change could only be triggered by broad scale societal learning while first and second order change could occur endogenously though policy learning.

However, Hall’s early model was inductively constructed and did not set out a logic for understanding the range of different policy components that are likely to be found. Building on Hall, and drawing largely on resource policy examples, Howlett (2001), Howlett and Ramesh (2003), Cashore and Howlett (2006), and Rayner et al. (2001), have developed a slightly more complex set of levels or measures of policy components with a clear logic of means and ends.

As Hernes (1976) has pointed out in the context of a general discussion of sociological change processes, change can involve not only changes in outputs (policy
identifies three aspects of substantive policy ends or goals and three aspects of policy means which can be distinguished from each other and measured as to their extent of change.

These levels of policy outputs vary according to their degree of abstraction: from the most abstract conceptual ideas, to program operationalization, and finally to the specifics of policy implementation. Hence, both policy foci (“ends” and “means”) contain distinct conceptual ideas, operational objectives and policy specifications. Howlett (2001) calls the latter instrument “components” while Hall refers to them as “calibrations” or “settings”. Means change must be distinguished from ends change because the same
types of instruments can be used at either level. In other words, a change in instrument will sometimes be evidence of a change in goals and at other times not. Similarly it is important to disentangle policy specifications at the level of ends, such as a change in taxation rate, which can sometimes reflect a major shift in policy goals and objectives (as occurs, for instance, when high marginal tax rates are reduced in response to a perceived “brain drain” or to a desire to increase earnings differentials on ideological grounds) versus a relatively unimportant change in the means implementation-level specifications, such as altering the date when your tax return might be due (Linder and Peters 1989; Majone 1989). Distinguishing policy ends from means and, most importantly, the three aspects of each, is key to analyzing policy change and stability (Smith 2000).

Thus our first challenge to the third generation of diffusion studies is to demonstrate an improved awareness of these general problems of policy dynamics (Baumgartner and Jones 1993; Sabatier and Jenkins Smith 1993). Diffusion studies must carefully distinguish between these types of change (and not simply elide them) because there is ample evidence that suggests that the processes of change, and hence any diffusion mechanisms, are distinct for each type (Bressers, Fuchs and Kuks, 2004; Scrase and Sheate, 2002; Lafferty and Hovden, 2003).

2.2. The Consequences of a Focus on Individual Policy Elements

Eclecticism is a key feature of second generation diffusion studies, not least in the policy elements that have attracted attention. Much of the most interesting second generation work has concerned itself with very large-scale changes in policy regimes and policy styles (Simmons and Elkins 2004; Meseguer 2006). However, the third generation aspiration to build and test models of policy diffusion using large-n studies has had the unfortunate effect of creating pressure to simplify both the relationship between elements of a policy style and even the elements themselves. Again, this deliberate simplification of the interrelated elements of a complex reality is deeply ironic, since the field of diffusion studies itself is built on the recognition that policy regimes do not develop in isolation from one another but display a kind of interdependence over time across national and sub-national levels (Elkins and Simmons 2005).
Of course it is true that all model building involves simplification of a more complex reality. The key concern is to determine when this simplification reduces the usefulness of the model in helping to understand the underlying relationships that are under examination. Our worry is that the very elements that Gilardi and Meseguer find interesting in second generation studies and propose to use as the foundation for third generation developments are those that tend to emphasize this over-simplified picture of “policy” and its constituents.

As an example of what is at stake here, consider the opening arguments of a typical large-n diffusion study, Gilardi, Fuglister and Luyet on health care reforms in OECD countries (Gilardi et al. 2005). The authors begin by noting the embeddedness of health policy and health care reform in the broader context of literature on the welfare state and its changes. They refer to the arguments of Jacob Hacker (2004) that changes in the complex of policies and institutions that we call “the welfare state” are complicated by patterns of decisions and non-decisions that create policy change — and are often intended to create change - even when policy elements remain the same. However, the authors immediately drop this insight in favour of a discussion of the issues around the diffusion of health care reforms. These are generally understood as the adoption of similar new policies and institutions in different countries, but the subject of the paper turns out in fact to be the diffusion of four specific policy adoptions: increased cost sharing, a greater role for private health insurance, new methods of hospital financing and the introduction of reference pricing for drugs. All of these are, of course, policy instrument “settings” or calibrations, the fine-grained aspects of the implementation targets listed in Figure 1.

Gilardi, Fuglister and Luyet note that increasing cost sharing and an expanded role for private health insurance could be interpreted as part of a more general trend towards “privatizing risk” in welfare states. As they acknowledge, risk privatization has been something of a trademark of Hacker’s work on welfare states, illustrating one of the key elements of his own approach to policy change, the idea that keeping policy elements constant while the context of policy changes is, in effect, to change the goals of the policy. Thus, while the original aspiration of many welfare states was to provide insurance against a series of common risks—short-term unemployment, everyday
medical problems, and poverty in old age, for example—the appearance of new risks and the deliberate decision by policy-makers not to adjust the “coverage” to encompass them marks a very significant policy change brought about, in this case, by what Hacker calls “policy drift”. Risk is privatized “by default”.

Our point here is a simple one. While it might be possible to study decisions, using a large-n framework in the observable cases of policy adoptions, the second generation has suggested that, taken in isolation, a pattern of adoption of policy settings may not be especially significant or interesting. The interesting dependent variable in this case is policy change on a very large scale, involving not just implementation targets but also operationalized objectives and, whether intended or not, goals and ideas. So, while Gilardi, Fuglister and Luyet make the obligatory nod in the direction of the welfare state literature and the larger questions of health care reform, what we actually learn from their paper is limited to the pattern of the adoption of some new instruments and some changed settings in a number of countries. Whether this limited focus reveals anything of significance about policy diffusion in the larger and more interesting sense depends completely on the contextual features of their adoption in the various jurisdictions studied— if they are linked to or symptomatic of large-scale change, then they are more interesting than if they (merely) represent very limited, marginal micro-level alterations in policy trajectories (Gilardi 2005). That is, examining these implementation features might allow us to observe policy drift and provide us with a way of determining whether the changes are changes in means or ends or both, but not always. As such, it’s hard not be concerned that ease of observation and the availability of data will drive the choice of policy elements in these “third generation” studies. The aspiration of the third generation to understand policy diffusion by analysing policy regime elements over even longer historical periods and larger sets of jurisdictions than is currently the case will raise these difficulties in an even more acute way.

2.3 Bringing the Policy Mix Back In

For us, then, a critical lesson of the second generation and the foundation for a productive third generation of diffusion studies is that many policy areas, if not all,
feature the use of multiple policy tools or policy instruments. The question and direction of policy change and the understanding of policy dynamics such as diffusion depend on the specific combinations of these instruments and upon contextual features of their employment. As Hacker and others have shown, these policy regimes or mixes have typically been developed haphazardly through a process of policy layering, policy conversion or policy drift, in which new tools and objectives have been piled on top of older ones, creating a palimpsest-like mixture of policy elements. These types of policy mixes are very common and have often been examined in the policy literature (Hacker 2004a and 2004b; Evers and Wintersberger 1990; Evers 2005). They often serve as the empirical basis for models of policy dynamics based on notions of path dependence – that is, policy as the outcome of a series of more or less random conditions that combine over time to produce a trajectory of events (in this case, policy-making) which although, very often sub-optimal, is exceptionally difficult to change (Pierson 2000; Greener 2002; Howlett and Rayner 2006c).

These are not new insights and there has been plenty of time for them to be reflexively incorporated into policy-making itself. For example, recognizing the drawbacks of layering, conversion and drift, policy makers have increasingly turning to complex policy mixes that have been designed, rather than incrementally developed (Stead and Meijers 2004; Briassoulis 2005; Meijers and Stead 2004). The explicit goal of these new designs – which can be termed “integrated policy strategies” – is optimization and the avoidance of contradictory or conflicting mixes of policy tools (Gunningham et al 1998, Gunningham and Grabosky 1999). The identification and study of integrated policy strategies is at an early stage of development in the policy sciences but research projects are under way in several countries involving strategic interventions that range from the integration of sustainability or innovation objectives into policy on a broad scale (Sadler 2005), to more focused integrative efforts such as health assessments, disaster planning, safety cultures, integrated coastal zone management, rural development, wildlife management and more (Finer et al 2005; Lehoux et al 2005; Power and McCarty 2002; Foster, Haward and Coffen-Smout 2005; Wescott 2002; Keysar 2005; Lee 2006; Johannesen 2006). A common theme in this literature is the pervasive presence of institutional obstacles to making a new start and the difficulty of preventing integrative
strategies from simply adding new layers of complexity, duplication and ambiguity to already sub-optimal mixes of goals and instruments.

Overall, the four basic types of integrated strategies are set out figure 2 below.

• *Layering* is the worst possible way to try to create an IS, adding new goals and instruments without abandoning previous ones, leading to both incoherence amongst the goals and inconsistency with respect to the instruments. Many IS suffer this fate. For example, efforts at the integration of various resource management regimes that fail when powerful interests are able to keep favourable goals, instruments and settings, such as unsustainable fishing or timber cutting quotas that support an industry, in the new policy (Howlett and Rayner 1995; Rayner et al 2001).

• *Drift* allows the goals of the policy to change without changing the instruments, which become inconsistent with the original goals and most likely ineffective in achieving them (Tornvlied and Akkerman 2004).

• *Conversion*, on the other hand, is the attempt to change the instrument mix in a more tractable policy domain in order to meet new goals in a domain where formal change in goals is blocked. (Falkenmark 2004; Hacker 2004a).

• *Design*: when there is a conscious effort made to create or fundamentally re-structure policies so that they are consistent and coherent in terms of their goals and means orientations (Eliadis, Hill and Howlett 2004; Gunningham and Sinclair 1998).

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<th>Instrument mixes are</th>
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<td>conversion</td>
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**Figure 2. Typology of Integrated Strategies According to Relationships with Existing Policies**

We suggest that the first challenge for a new generation of diffusion studies is to develop not only the conceptual clarity and the methodological sophistication needed to identify changes in policy settings, but also the techniques for understanding the
influences of diffusion on other elements of policy and, more importantly, on the diagnosis of the origins and ills of existing policy mixes and the design and development of new ones and of governance strategies in general (Eliadis, Hill, Howlett 2004). This latter goal will mean abandoning the attempt to disaggregate policy change into the study of the adoption or rejection of isolated policy components and doing justice to the contextual features that alone turn a collection of goals, instruments and settings into a “policy”. After outlining the kind of policy changes associated with the adoption of integrated strategies and providing an example, we return to the issue of appropriate methodologies in Section 5.

3. Challenges for a New Generation of Diffusion Studies

Awareness of the complexity and interrelatedness of policy making was a hallmark of many second generation studies (Underdal 1980). Thus, a key challenge for a new generation of students of diffusion is to preserve that awareness, resisting the temptation to decompose the dependent variable into only isolated sets of instruments and a multitude of “settings”. The challenge will only be met by continuing to work on the unfinished business of conceptualization begun by the first generation while simultaneously exploring those problems of method and analytical technique that the new generation finds so attractive. In this section we discuss some of the requirements of diffusion studies involved in conceptualizing one key dependent variable in the context of a contemporary policy design - the integrated strategy - before turning to a case study of recent European efforts in the area of policy development for Integrated Coastal Zone Management (ICZM).

3.1. Analyzing Integrated Strategies

As pointed out above, the main challenge facing policies designed as Integrated Strategies (IS) is that design efforts very often do not begin with a clean slate. In fact, as we have suggested, most IS designs are conceived as a result of dissatisfaction with the incoherent goals and uncoordinated instruments that characterize strategies found in an
existing policy domain. As such, IS designs run up against a key feature of public policy itself, namely, the extent to which policy is already organized around a variety of policy domains that serve to integrate issues, problems and solutions in an ad hoc and very political way (Klijn and Koppenjan 2006). The third generation believes that “politics should be taken seriously”. We could not agree more.

Figure 2 shows different kinds of IS exist, with different propensities for success or failure. Given these different configurations, success can be assessed across two dimensions: the extent to which the policy goals of the new domain are coherent and the extent to which the new mix of policy instruments is consistent with the goals (Scrase and Sheate 2002; May, Sapotichne and Workman 2005b; Thomas 2003; May et al 2005a; Lafferty and Hovden 2003).

Drawing on Hacker’s discussion of layering, conversion and drift, we propose that the ambition to create an optimal IS design pursuing multiple but internally coherent goals with multiple but consistent policy instruments can fail in three main ways, corresponding to each of the processes that he has identified. (Figure 2) Each of these instances amounts to a roadblock to diffusion of more appropriate IS designs and policies.

The potential outcomes of IS can be represented in the following way:

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<tr>
<td>Incoherent</td>
<td>Misdirected (Conversion)</td>
<td>Failed (Layering)</td>
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**Figure 3: Typology of Expected Integrated Strategy Outcomes**

Both the substance of an IS and the means of its design or achievement can be transferred across governments, sectors or borders. The variety of possible outcomes can be explained by the fact that new policy development is always constrained by previous policy choices which have become institutionalized.
The degree to which this institutionalization has taken place – and hence the possibilities for policy change via diffusion or any other means – is variable and depends on a number of well-understood processes such as increasing returns and other kinds of positive feedback; sunk costs; and incremental policy learning (Pierson 2000 and 2004). Involvement of organized interests is central to this everyday process of policy integration: a small number of well-organized groups will tend to have more potential to create a domain with a small number of coherent policy goals compared with a domain created by a shifting cast of poorly-organized interests (Baumgartner and Jones 1993; May et al. 2005a and 2005b). Such factors affect the ability of any policy innovation or change to take place, including diffusion. Several studies of policy convergence, for example, have documented the way in which different patterns of domestic interest intermediation have frustrated international or regional efforts to adopt similar instruments to the same effect (Lutz 2003; Knill and Lehmkuhl 2002; Howlett and Ramesh 2002)

Hence the achievement of successful integration will depend on whether the process followed in constructing a strategy is through layering, conversion, drift or design. This will be different in each case of an IS and will be related to the historical development of the policy domains that the respective governments seek to integrate (Mayntz 1983). However, and what is most significant for our purposes, is that in all cases typical third generation diffusion studies would fail to isolate and identify either the mechanism or type of IS diffused.

Any account of the diffusion of integrated strategies must take into account a complex set of relationships beyond the decisions to adopt or not to adopt various policy instruments or characteristic settings. Different historical trajectories will create distinctive challenges based on the extent to which IS is effectively a new policy design or the integration of existing policy elements with varying degrees of existing coherence and consistency (see for example the set of case studies contained in Sadler 2005). Complex issues of network management and institutional coordination must at least be recognized and addressed if IS development and diffusion is to be understood (Metcalf 2000; Klijn and Koppenjan 2006).
The following case study of IS formulation and expansion in Europe in the area of integrated coastal zone management is intended to illustrate the problems posed by tracking the diffusion of complex policy change and the need for traditional process tracing and small-n studies to reveal its dynamics.

4. Case Study: Integrated Coastal Zone Management in Europe and North America

For obvious reasons, IS designs are enjoying a certain currency in resource and environmental policies. Governments and resource industries often see the benefits of integration in terms of improved efficiencies that provide some new room to resolve resource-use conflicts. Environmentalists have converged on IS as a way of operationalizing some of the insights of ecology with respect to connectivity in ecosystems; for example, with respect to issues such as the identification and mitigation of cumulative impacts. Whatever the motivation, policy integration in these senses faces all the challenges discussed in the preceding sections. Integration will involve the coordination of different levels of government. It will involve horizontal policy coordination across multiple sectors. And it will involve problems of network management to reorganize interests and publics. We call integrative strategies that operate across all three problem sets in resource and environmental policy, Natural Resource New Governance Arrangement or NRNGAs. While NRNGAs hold out great promise, we already know from existing research in each of the problem sets that they are difficult to implement effectively. Poorly designed NRNGAs will only compound problems of layering, drift and conversion and have the potential to impose extra costs on industry, damaging competitiveness. Poor design may also impose “cookie cutter” procedures across a diverse range of contexts and circumstances, encouraging merely formal compliance and hindering innovation (Scheraga and Furlow 2001).

The most difficult legacy of older regulatory approaches to resource and environmental policy has been the focus on the regulation of single industries. Even where policies call for “multiple use” or “integrated resource management”, the regime in
place is almost always one designed to allow a dominant use constrained in various ways more or less complex ways by secondary uses. The legacies include:

- A focus on the impacts of single industries, even taken together, has failed to account for the problem of cumulative impacts, leading to unplanned change.
- The “footprint” of resource extraction is unnecessarily large because conflict between users has traditionally been addressed by spatial segregation.
- When policies are developed to address the problem of integration by institutional structures that were designed for single industries, the results are gaps, overlaps, and ambiguities that are inefficient and fail to resolve conflicts among users and between users and other stakeholders.

Progress towards an integrated strategy usually proceeds at two levels. At one level, agenda-setting work has to be done on conceptualizing a new, integrated policy target that is something more than merely the aggregation of existing targets. At the other, formulation and implementation of the new policy requires the reconstruction of administrative structures and the organization of interests away from the old single industry focus towards support for the new objectives. Both raise formidable difficulties.

In the case of coastal zone management, there had, first, to be a new concept of the “coastal zone” itself, including land that contributes to the characteristically dynamic ecological processes of the coastal zone. Progress towards the construction of a new policy object, “the coastal zone” was made with the help of a typical international epistemic community of a kind found in many similar policy areas, their efforts ultimately bearing fruit in the Noordwijk guidelines. Developed under the aegis of the World Bank, the guidelines identified a series of key principles that have remained the cornerstone of contemporary ICZM. They include a focus on intersectoral coordination rather than traditional sector-by-sector management; holistic, multidisciplinary ecosystem-based planning; a dynamic, continuous, evolutionary and iterative attempt to solve complex problems; and the creation of new governance structures to accommodate meaningful stakeholder participation and conflict resolution (Post and Lundin, 1996). However, the new conceptualization brought together a variety of interests, some very
strongly organized to pursue narrow sectoral goals. From an administrative point of view, even in states with unitary administrations, the newly conceptualized “coastal zone” was often under the jurisdiction of variety of different authorities, each with their own clients and competitors. In federal states, the jurisdictional tangles could pose extraordinary barriers to integrated policy-making. It remained to be seen whether ICZM was capable of creating a new policy domain.

4.1. What is being diffused in the case of Integrated Coastal Zone Management (ICZM)

The progress of ICZM initiatives is a particularly useful example of the difficulties of applying the idea of “diffusion” to an integrated policy design. At a conceptual level, the spread of ICZM is difficult to track because of continuing expert disagreement about what constitutes having an integrated CZM policy in first place. Thus, many jurisdictions have engaged in coastal zone planning and management for decades without necessarily reaching the degree of integration that would identify their efforts as an example of a NGA. Even, the apparently clear cut situation in the US, where 34 out of 35 eligible states and territories are currently in compliance with the 1972 federal Coastal Zone Management Act and receiving federal funding for CZM programs, is open to objections of this kind.

It would be relatively simple to conduct a classic diffusion analysis of the passage of CZM legislation in the states and territories and the subsequent recognition of the states’ CZM programs as conforming to the 1972 Act by the federal authorities, starting with Washington State in 1976. With a little more effort, it would be possible to analyse the diffusion of particular elements of these programs, such as Nonpoint Pollution Management plans, Marine Protected Areas and Watershed Management, yet none of these elements, by themselves, address the issue of integration. In fact, the layering of these elements one on top of the other over the years, a focus on particular practices of CZM while the risks to coastal zones change (policy drift), and attempts to address these risks by the conversion of other policies, such as water quality standards, towards CZM goals, have all contributed to a perception of confusion and well-meaning but misdirected
activity in the coastal zone. (Pew Oceans Commission 2003)

Studying the diffusion of ICZM in Europe raises similar problems. In many countries, there was considerable experimentation with new instrument mixes on the one hand and strategic approaches on the other, before the two were combined into something recognizable as an IS. This creates a considerable initial difficulty in tracking policy convergence, as many countries used the terms “ICZM” before there was any general agreement on its meaning. In general, “Integrated Coastal Zone Management” tended to be used to describe particular planning initiatives for coastal areas that tried to address local coordination problems without taking a broadly integrative approach. In terms of Figure 2, it can be noted as a preliminary observation that these early origins posed distinctive threats to the attempt to create NRNGAs. In the case of ICZM, the existing sectoral policies, supported by well-organized interests, were often difficult to modify, increasing the probability that policy development will proceed by layering and drift. A classic symptom of the lack of integration that results is that the formal processes of intersectoral coordination at various spatial levels become under funded “talking shops” that fail to deliver substantive outputs beyond a diminishing commitment to further dialogue (Stead and McGlashan 2006).

Thus, like the US states, many European jurisdictions have engaged in coastal zone planning and management for decades without necessarily reaching the degree of integration that would identify their efforts as an example of a NGA. Coastal Zone Management began largely at the project level. A 1999 study of EU coastal states plus Norway found the following uneven pattern of ICZM implementation (Figure 3); distinguishing between plans that were fully implemented, those merely formulated, and those under development in the pre-formulation stage.

**Figure 3 - State of ICZM in European Coastal Regions, 1999**

<table>
<thead>
<tr>
<th>Countries with at least one coastal region where ICZM was</th>
<th>Under Development</th>
<th>Formulated</th>
<th>Fully Implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>France</td>
<td>Netherlands</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>Greece</td>
<td>United Kingdom</td>
<td></td>
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<tr>
<td>Finland</td>
<td>Italy</td>
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<tr>
<td>Germany</td>
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<tr>
<td>Ireland</td>
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<tr>
<td>Norway</td>
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<td>Poland</td>
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<td>Spain</td>
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<tr>
<td>Sweden</td>
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<td></td>
</tr>
</tbody>
</table>

Source: van Elburg-Velinova et al. (1999) p 15

While this table does show the uneven development of European CZM projects, it may also overstate any trend towards achievement of a general pattern of integrated CZM adoption. Of 182 coastal regions studied, 108 were recorded as showing no progress in ICZM at all, and only Denmark and the Netherlands had all coastal regions showing at least some progress towards fully formulated or implemented strategies (van Elburg-Velinova et al. 1999).

As an attempt at crafting a NRNGA, rather than as a local planning tool, ICZM in Europe dates from the latter half of the 1990s, after the Oceans chapter of Agenda 21 had given new direction to existing coastal management efforts (Cicin Sain and Knecht 1998). Significant progress had already been made in the plans put in place under the aegis of the UNEP Mediterranean Action Plan. Others were created or revitalized by an EU Demonstration Programme that provided funding for a number of projects and, equally important, for evaluation of the outputs (Humphrey and Burbridge 1999). Still others were the outcome of regional cooperation in shared coastal waters such as the Baltic, the Wadden Sea and the North Sea (Burbridge 2004; Schernewski 2002). In the Netherlands, for obvious reasons a leader in the field, an interdepartmental discussion paper in 1999 produced policy commitments in 2000. In the UK, another leader, the 2002 Seas of Change consultation was followed in 2004 by the EU’s first ICZM “stocktaking” and a commitment to provide legislative authority for ICZM in the next parliament. Ireland produced a Draft Policy on CZM in 1997 but the Bantry Bay process, though generally agreed to be one of the more successful products of the EU Demonstration Programme, remains a relatively isolated example (DGENV 2005; King 2003).

The stubborn persistence of ICZM as a local planning tool rather than a true NGA
has not gone unnoticed: “(the) characterization of ICZM in Europe, whereby ICZM is seen as emerging in rather isolated pockets as a response to local situations and in the absence of or without connection to institutional arrangements at more central levels of government has much in common with community based coastal management scenarios described for tropical developing countries” (Humphrey and Burbridge 2003). This situation seems ripe for the kind of Europeanization initiative where the Commission bypasses national governments and joins up the dots to create a European ICZM policy. Instead, however, the debate over ICZM featured a confrontation between European Parliament and the Council, with the emergence of the full array of national sectoral interests opposed to what they saw as unnecessary disturbance of existing local arrangements. The outcome was a Recommendation on ICZM (2002/413/EC) rather than the Directive that many in the Parliament and the NGO community were originally seeking (McKenna, no date).

Thus, a recent survey of the achievements and intentions of nineteen European countries with respect to the Recommendation on ICZM, showed only nine intending to develop a national strategy by 2006, the target date set in the Recommendation, six not intending to meet this deadline and four not reporting (see Figure 4). Denmark and the Netherlands, leaders in CZM projects, are among the countries not intending to develop a national strategy. More significantly, in answer to the question of when strategic activities began, almost all identified these activities as a response to the Recommendation rather than predating it and almost all of the “pioneering” activity is of a kind that is not compatible with the strategic direction set out in the Recommendation.

Figure 4  Self reported start of strategic ICZM activity (EC DGENV 2005)
4.2. Lessons of ICZM for diffusion studies

In one sense, the story of ICZM is a familiar one. A group of international scientific experts, with many of the feature of an epistemic community, converge on the idea of the need for more integrated planning and management for a new policy object, in this case the “coastal zone” (Ladi 2000; Stone 2001). The integrated strategy design that they propose is a complex mixture of old and new policy instruments tied to ambitious new goals, such as ecosystem management. Some of the traditional instruments of CZM are still in place but redirected towards these new goals. For example, protected areas, both terrestrial and marine, have new goals, such as providing connectivity between land and sea. Some procedural instruments such as mechanisms enabling participatory deliberation and conflict resolution are intended to provide principled access for the variety of interests in the coastal zone. Others, such as mechanisms for intersectoral coordination and policy learning, are attempts to provide steering mechanisms based on information rather than hierarchy (Bridge and Salman 2000; King 2003). Most of these instruments are familiar from other contexts. It is their consistent combination in the service of coherent new goals that creates an integrated strategy that becomes the dependent variable in a study of the diffusion of ICZM. And the obstacles to diffusion are the tendencies towards incoherent goals and inconsistent policy mixes provided by the policies that ICZM is trying to displace.

At the level of policy goals, it is possible to formalize this problem to some extent. As an IS, ICZM occupies a particular location in a universe of integrated policy designs, some of which would be conducted at larger spatial and temporal scales, and some at smaller. In the different jurisdictions where strategic ICZM is proposed, some of these potential alternatives are already in place and constitute competitors to ICZM that

*Countries not intending to meet the 2006 target for a national ICZM strategy

Source: (EC DG ENV 2005)
contribute to conversion, layering and drift. In other cases, ICZM is actually ahead of the alternatives and constitutes a potential obstacle to integration at another level, for example, the management of Large Marine Ecosystems (LMEs) in the proposed Marine Strategy Directive, where there is already a recognized need for “the integration of the finer-scale ICZM issues into the wider LME-scale framework” (CRPM 2006: 4)

Sometimes, governments take action to prevent the suboptimal outcomes that are the result of incomplete integration. Thus, the Dutch government is not pursuing strategic ICZM because of its redundancy given the existing sophisticated land use planning framework in the Netherlands (DGENV 2005). The Danish government is postponing consideration of ICZM while it tackles the problem of reforming local government’s role in land use planning (Anker et al. 2004). On the other hand, closer examination of many of the jurisdictions in Figure 4 that propose to meet the timetable laid out in the EC Recommendation on ICZM would doubtless show a disturbing reluctance to follow the cautious approach of the Dutch and the Danes, with all of the potential for symbolic and rhetorical integration that suboptimal strategies will generate. To describe these latter adoptions as “diffusion” may be technically defensible, but it is hardly illuminating.

On the other hand, if one consequence of the failure to specify the dependent variable with sufficient care is a classic Type II errors (finding diffusion when there is none), Type I errors are also possible (not finding diffusion when it exists). Because of their different regulatory histories and contexts, countries can pursue coherent goals with consistent instrument mixes, where the latter look very different from those proposed by the scientific consensus. In the European context, there were three broad movements of ideas during the 1990s that are relevant to understanding the kinds of instrument mixes that are likely to be found in a national IS. The first, reflexive regulation was a response to the widely-canvassed belief that the increasing complexity of the goals that governments are aiming at has rendered the old kind of prescriptive “rule following” regulation obsolete. Even if policy-makers know enough to prescribe rules—and scientific uncertainty often means that they do not – they ought to encourage the subjects of regulation to engage in strategic thinking rather than rule-following behaviour. Integrated strategies that focus on managing risk through the use of process standards like
EMS are an example of this approach to regulation, as are reporting requirements that aim to generate information to which the subjects of regulation can respond.

A second set of idea falls under the heading of *regulatory pluralism*, and includes the “smart regulation” movement. Regulatory pluralists believe that, in most circumstances, a mix of complementary policy instruments and a broad array of government and non-government “regulators” will produce better outcomes than the old single instrument, government-industry regulatory relationship. The focus here is often on using informal mechanisms of social control, such “social license” from affected communities, certification by international standards organizations, oversight by commercial third-parties like financial institutions, and self-regulation. Where more traditional forms of regulation are deemed necessary, they often involve “backstopping” the informal mechanisms with performance and process standards that are less prescriptive than those used in the past but still function to prevent the laggards falling below minimum levels of sustainable management (Jorgensen and Larsen 1997; Gunningham et al.1998, Gunningham and Sinclair 2002).

Finally, regulatory reconfiguration often involves the engagement of actors from outside traditional government and business regulatory nexus, including new kinds of partnerships (Dahlberg 2005; Kernaghan 1993) and looser modes of coordination through networks. Specifically, these partnerships usually embrace more than just government and industry and sometimes do not involve governments at all, such as “green alliances” with NGOs and communities or supply-chain partnerships between businesses. In the latter case, governments may still play critical roles in facilitating, supporting and rewarding partners. Voluntary agreements between governments and businesses are, of course, widely used in many European countries especially as a way of encouraging companies to do more than regulations may require (Jordan et al. 2003).

In sum, it would not be possible to study the diffusion of ICZM or other integrated strategies by tracking the diffusion of distinctive policy instruments or settings, because different jurisdictions are likely to use the instruments that are familiar to them. The challenge to a third generation of diffusion studies is how to accommodate the relationship between means and ends that we have tried to capture in our two dimensions.
of coherence and consistency in the analysis of existing and innovative attempts at policy design.

5. Third Generation Diffusion Studies: Two Steps Forward without a Step Back?

In our introduction, we noted that the ambition of third-generation diffusion studies to track large scale movements of policy change over time – such as the development of IS - poses many methodological challenges. As our example of ICZM shows, even after dealing with the issues surrounding the conceptualization of “policy” and “policy change”, there remain a number of features of the IS case that are likely to resist third generation efforts at systematization and theory-testing unless careful attention is paid to questions of method. Even the simplest diffusion studies focussing on instrument adoption or setting changes and ignoring the more complex relationships between means and ends, are conducted on the assumption that diffusion takes place through an ordered sequence of events: there are patterns of early adoption, followed by the diffusion of the setting or instrument as a result of processes of learning and emulation that are central to the causal story being told. Once we move to another level of complexity, where the adoption of similar settings and even similar instruments is compatible with continuing divergence in policy goals and policy styles, then the conclusion that “history matters” is inescapable. New approaches to the study of diffusion need to respect this conclusion.

In our view, this means understanding – and, more to the point, resisting – the tempting connection between the physical science metaphor of policy “diffusion” and the idea of general linear reality (Abbott, 1988). That is, the assumption that policy causes and effects can be ascertained empirically and that a general set of social forces (“diffusion mechanisms”) drive policy change, with individual deviations from deterministic outcomes existing as ‘noise’ or random error (Aminzade, 1992; Griffin, 1992; Stinchcombe, 1968). Outcomes, such as policy decisions, are seen as the realization of stochastic processes, in which some underlying process with certain kinds of parameters ‘determined’ a result. In this “general linear model”, as Abbott has termed
it, there is an implicit notion that history, *per se*, doesn’t matter. Time is thought of as a discrete, infinitely divisible entity and ‘history’ is simply the assemblage of “moments” on a temporal continuum. The choice of time period for analysis becomes immaterial, as each outcome is more or less precisely determined at that moment by the existing configuration of variables. As Abbott put it, in this model, “the social world is made up of fixed, given entities with variable properties” – cases and variables – in which outcomes consist of “the succession of the values of a dependent property or properties over time” (Abbott, 1990).

However, this general conception of the ahistorical temporality of social processes such as policy diffusion does not recognize that “sequence matters” (Howlett and Rayner, 2006c). That is, that the determination of policy outcomes is not *deterministic*, in a stochastic sense, but much more contingent than previously assumed; with the sources of contingency being not merely individual actions in a given environment, but also more structural factors such as historical timing or the ‘ordering’ of policy-relevant events (Pierson, 2000; Abbott, 1990), including the definition of both goals and means of policy, as well as the conceptual, programmatic and implementation aspects of each.

Hence we would argue that, if diffusion studies are truly going to move ahead beyond the ‘first’ and ‘second’ generations, practitioners must resist the temptation to ‘throw the baby out with the bathwater’ in attempting to move beyond the first and second generation of diffusion studies. That is, any new generation has to build on the foundations set by earlier first and second generation studies and not simply dispense with them. We pose three challenges to third generation scholars and studies:

1. Recognize that the dependent variable “policy” is composed of many different elements;

2. Accommodate the interplay between policy elements, whether their interactions are engineered or a product of happenstance, and

3. Develop and employ a plurality of methods, from thick descriptions and policy narrative case studies, to small- n and large- n studies, required if these interrelationships and their impact on policy diffusion are to be properly understood.
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