LEARNING IN PUBLIC POLICY

ANALYSIS, MODES AND OUTCOMES

EDITED BY

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Learning in Public Policy

Analysis, Modes and Outcomes

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For Kaye, Luisa and Fausto, Thenia

FOREWORD

The prize from the study of policy learning must be large and substantial, otherwise how would one account for the fact that it has occupied so many leading scholars for so long? As the editors of this valuable volume make clear, the roots of the study of policy learning can be traced back at least to the early part of the twentieth century with its distinctive sprouts emerging in the work of Simon and Lindblom in the post-war era with a significant growth and expansion of interest in the last thirty or so years with work on policy transfer, lesson drawing and diffusion.

The explanation for this sustained interest in developing knowledge about policy learning is unlikely to lie exclusively in the promise that it holds for explaining policy. The impact of conscious and analytical policy learning on the shape of policy often turns out on closer examination to be less strong and direct than it appears to be at first sight. Over fifteen years ago, I directed the Economic and Social Research Council initiative 'Future Governance' that took a cross-national comparative look at how policy learning develops. One of the consistent findings across many of the projects in the research programme was that what either looked like, or was claimed to be, a policy 'borrowed' from another was, in fact, more significantly shaped by a range of other political and organizational constraints such that it was hard to identify what, precisely, was borrowed over and above terminology or the germ of an idea.

The rewards of understanding policy learning are above all practical. Basing decision-making on a clear appreciation of what has worked and what has not—elsewhere, at different times or in different

contexts—holds enormous promise for innovation, improving the quality of government policies and avoiding dangerous and expensive mistakes.

The editors point out how far the field of policy learning has developed conceptually, theoretically and empirically. We know a lot more about how policy learning works, the constraints and limitations, the conditions under which it is done and the political and organizational support needed to sustain it. The nature of the field is not such that we can expect to produce a list of ways in which learning can be encouraged and promoted in public organizations: a list of dos and don'ts. It retains a range of features that make it an especially difficult area for such generalization, among which one might count; learning is an individual activity, it is hard to observe it in action as it essentially refers to a frame of mind, it has to be developed and sustained in a collective or organizational environment, and the conditions that allow more or less systematically drawn lessons to shape policy are as wide and variable as the conditions shaping policy itself. It has the added problem arising from any branch of study that seeks to make normative recommendations: of deriving an 'ought' from an 'is'.

What is possible, and what the field has developed above all, is an understanding the place of learning in the wider context of policymaking; the range of constraints, heuristics, structures, norms and procedures that encourage and discourage the application of different forms of policy learning. As the editors point out, we still have a way to go in developing this understanding. They themselves have significantly advanced this research agenda through their earlier elaboration of different types of learning (epistemic, reflexive learning, bargaining and hierarchical learning). The exciting part of this collection is that it opens the field of policy learning still further conceptually and empirically. It develops the relationship between policy learning and other key literatures in understanding policymaking including agendas and policy entrepreneurship, political economy and collaborative governance through a series of fresh and imaginative papers including a range of methodologies including more traditional documentary and qualitative analysis as well as a range of quantitative methods. By carefully taking stock of the field, demonstrating new ways of looking at learning in practice, and finding new places and contexts to look at it, this collection significantly extends our understanding of learning in the wider policy process.

London, UK   Ed Page

Acknowledgements

First and foremost, we extend sincere thanks to our 15 authors who have provided such thought-provoking chapters. This volume is written by a real mix of scholars—those who are the start of their learning journey and others who have been learning, unlearning and teaching for a bit longer! The cross-fertilization of ideas between different generations of researchers is crucial for all types of research, and this is certainly the case in policy learning.

More personally, Claire thanks Claudio and Philipp for their inspirational contributions throughout the project, from inception to publication. She looks forward to continuing working together. Moreover, she gives her love to Kaye who has taught her more about learning than any book! Claudio thanks Claire and Philipp, two fabulous fellow travellers who are never tired of explorations in the field of policy learning… and beyond. He dedicates this book to his parents, who are still part of him but no longer with us. Philipp thanks both Claire and Claudio for the inspiring and productive collaboration and looks forward to common academic journeys in the future. Moreover, he sends his love and gratitude to Thenia who guided him to the subject of policy learning.

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Abbreviations

ACF	Advocacy Coalition Framework
ACFI	Agreement on Cooperation and Facilitation of Investments
AG	Aargau
AHI	Affordable Housing Initiative
ALMP	Active Labour Market Policies
AR	Appenzell Ausserrhoden
AWG	Age Working Group
BEPS	Base Erosion and Profit Shifting
BITs	Bilateral Investment Treaties
BS	Basel-Stadt
CAP	Common Agricultural Policy
CD&V	Christian Democratic and Flemish Party
CEO	Chief Executive Officer
CETA	Comprehensive Economic and Trade Agreement
CEV	Study Committee on Ageing
COREPER	Committee of Permanent Representatives
csQCA	Crisp-set QCA
CSRs	Country-Specific Recommendations
CVP	Christian Democratic People's Party
DG AGRI	Directorate General for Agriculture
DG ECFIN	Directorate General for Economic and Financial Affairs
DG EMPL	Directorate General for Employment, Social Affairs and Inclusion
DG ENERGY	Directorate General on Energy
DG MOVE	Directorate General on Transport
DG TREN	Directorate General for Transport and Energy

DPT	Diverted Profits Tax
DPTA	Diverted Profits Tax Act
DTAs	Double-Taxation agreements
EAPN	European Anti-Poverty Network
EC	European Commission
EDP	Excessive Deficit Procedure
EES	European Employment Strategy
EFSA	European Food Safety Authority
EMCO	Employment Committee
ENGO	Environmental Non-Governmental Organization
EP	European Parliament
EPM	Employment Protection Monitor
ERGM	Exponential Random Graph Modelling
ESF	European Social Fund
EU	European Union
FEANTSA	European Federation of National Organizations working with the Homeless
FOPH	Federal Office of Public Health
fsQCA	Fuzzy set QCA
FSSPP	Flemish Sustainable Spatial Planning Plan
GDP	Gross Domestic Product
GMOs	Genetically Modified Organisms
GR	Graubünden
IAH	Investment in Affordable Housing
IMF	International Monetary Fund
ISDS	Investor-State Dispute Settlement
JAF	Joint Assessment Framework
LMP	Labour Market Policy
LN	Learning Network of Paying Agencies and Co-ordinating Bodies
LU	Luzern
MAAL	Multinational Anti-Avoidance Law
MEP	Member of the European Parliament
MLPs	Mutual Learning Programmes
MNCs	Multinational Corporations
MR	Reformist Movement
MS	Member State
MSF	Multiple Streams Framework
MSRs	Multilateral Surveillance Reviews
MTOs	Medium Term Budgetary Objectives
NAPincl	National Action Plan on social inclusion
NGO	Non-Governmental Organization

NPC	National Pension Committee
NPO	Non-Profit Organization
NRP	National Reform Programme
N-VA	New Flemish Alliance
OECD	Organisation of Economic Cooperation and Development
OMC	Open Method of Coordination
Open VLD	Open Flemish Liberals and Democrats
OTSC	On-The-Spot Controls
PLMP	Passive Labour Market Policies
QCA	Qualitative Comparative Analysis
RE	Renewable Energy
RED	Renewable Energy Directive
REFIT	Better Regulation and Regulatory Fitness and Performance
RFPs	Requests for Proposals
SCT	Social Capital Theory
SFSO	Swiss Federal Statistical Office
SG	St. Gallen
SGP	Stability and Growth Pact
SPC	Social Protection Committee
SPPM	Social Protection Performance Monitor
STS	Science and Technology Studies
TG	Thurgau
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UR	Uri
US	United States
VD	Waadt
VS	Wallis
WHO	World Health Organization
ZH	Zürich

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Introduction:
The Family Tree of Policy Learning

Claire A. Dunlop, Claudio M. Radaelli and Philipp Trein

Demand for learning is high in practically all policy domains, whether we consider growth, the control of corruption, improvement in schools and health, or the dissemination of benchmarking and good practice by international organizations. At the same time, the supply of research findings shows that learning mechanisms are often stymied, the most obvious triggers like evidence-based policy do not work or work differently than expected. Or learning is not desirable, either because it is inefficient, for example by persevering in listening to the wrong teachers or by implementing the wrong lesson, or by applying the right lesson to the wrong institutional context. In other circumstances, learning may fail our

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criteria of democratic quality—such as, transparency, fairness, equality, accountability.

One way to describe this state of play is to say that the constellation of actors, incentives and norms in a policy process or a political system is not aligned with the objective of learning how to improve on public policy and following the criteria of democratic theory. Another is to say that bureaucracies, politicians in office, pressure groups, organized citizens and experts have objectives that are normally different from policy learning, such as consensus, the control of expertise and knowledge, cultivating membership, influence over the definition of a social or economic problem, and the management of implementation processes.

This raises a number of questions that today define the field of policy learning. First, what exactly do we mean by learning in the context of comparative public policy analysis and theories of the policy process (Weible and Sabatier 2017)? Second, what do we know about the causes of learning, its mechanisms, how it develops in different policy processes, within and across countries? Third, what are triggers and hindrances of mechanisms of learning? (Dunlop and Radaelli 2018). Fourth, what are the consequences of different types of learning for the efficiency of public policy as well as for the normative criteria of the democratic theory we adopt? The first question brings us to definitional issues. The second and third question are about causality—in fact, they refer to causes, mechanisms and consequences. Even if our ambition is not to develop policy learning as stand-alone theory of the policy process, but rather to perfect our knowledge of learning within the established theories of the policy process, we have to assemble the building blocks of causality more systematically, in terms of micro-foundations, learning in organizations, and how group learning becomes policy learning and, sometimes, social learning (Dunlop and Radaelli 2017). The fourth question is about the outcome of learning—in the literature, this is often captured by the relationship between learning and policy change (Moyson et al. 2017), but actually there are many more possible outcomes, and some involve normative issues that haven't always been prominent in the field.

In this introductory chapter, we explain how the study of policy learning has evolved to the point where it is today, and show how the contributions to the volume provide empirical and conceptual insights that, to be entirely honest, do not answer the four questions, or at least not completely, but assist us in providing the building blocks for a research

agenda that has potential to provide successful answers. In doing this, we aware of the existence of some important reviews of the state of play in the field, and we refer the readers to these in order to keep our chapter within a decent word budget limit. Chapter 2 of our volume also provides a systematic bibliometric review of policy learning based on the most recent data by Goyal and Howlett—hence all the bibliometric data we need to support our discussion are in there. Other comprehensive reviews include Dunlop and Radaelli (2013), Freeman (2006), Hekkila and Gerlak (2013), Moyson and Scholten (2018) and Trein (2015).

At the outset, what do we mean by learning? Obviously there isn't a single definition in the field. Indeed, the history of the political science literature on this topic suggests that learning is seen by different strands and authors as the solution to different problems, including:

- the problem of cybernetic equilibrium in a system,
- the problem of managing and reducing radical uncertainty,
- the problem of cross-national diffusion and convergence,
- the problem of knowledge utilization, and, (more recently),
- the problem of learning in different modes or types of policy processes.

Thus, definitions do not come out of thin air. Rather, they are linked to approaches that capture one problem-solution association instead of another.

For us, it is sufficient to begin our brief overview of the historical development of the field by keeping in mind a basic definition of learning as updating of knowledge and beliefs about public policy (Dunlop and Radaelli 2013). In turn, updating is either the result of social interaction among policy actors, or personal-organizational experience, or the provision of new or different evidence. It can of course also result from variable combinations of the three.

The Roots

Let us now briefly see how political science research on policy learning has emerged and developed. We do so because an appraisal of what has already been done is the strongest foundation to design the coordinates of an agenda like the one supporting our volume, and more generally the research agenda in the field for the near future. The metaphor of

the family tree will assist us in our journey through authors and themes (see Fig. 1.1).

It is not difficult to identify the roots of policy learning. Names like John Dewey, Harold Lasswell, Karl Deutsch, Charles Lindblom (in turn, intimately connected to the research agenda of the economics Nobel prize-winner Herbert Simon), and Hugh Heclo belong firmly to the roots of this family tree. We realize we are grouping together authors that did not live in the same period, but what matters is the overall consistency of the roots as developed by these giants.

The foundations of policy learning are philosophically grounded in pragmatism and its concern for what works. Pragmatic thinking marked a fundamental historical turn away from ideological approaches to public policy. If all that matters is what works, we have to be open to whatever mechanism may empirically occur in public policy, and learn how to generate usable lessons from experience and evidence.

Dewey's pragmatism, however, went beyond that, because it included the seeds of a profound reflection on the normative issues we mentioned above. One of his core ideas was that education, policy and the publics define a single social problem of learning. In fact, Dewey's (1927) classic *The public and its problems*, reprinted in 2012, was all about re-connecting a public distracted and un-interested in public policy problems with the essence of democracy—a normative direction that is also appropriate in the current mood of anti-politics. Dewey's utopia was to turn the Great Society into the Great Community (Dewey 2012: 141). To achieve this, he even thought of mobilizing the arts to draw the attention of the public towards the assimilation of 'accurate investigation' (Dewey 2012: 140). We can call this 'nudging the attention' of the citizens, to use contemporary social science vocabulary (Thaler and Sunstein 2008). At the macro-level of analysis pragmatism implies an evolutionary learning perspective on democratic governance (Ansell 2011).

His lesson was not lost on Harold Lasswell: most of his intellectual effort was directed towards closing the gap between academic knowledge and society: '[O]ne thing Lasswell learned from the pragmatists, and Dewey in particular, was that inquiry requires community' (Torgerson 1992, p. 231; see Torgerson 1985 for a wider exposition of Lasswell). Thus, Lasswell called for a '… collective cultivation of professional identity' amongst policy analysts (Torgerson 1985, p. 246). It is a limitation of the field that in the contemporary literature, very few scholars have
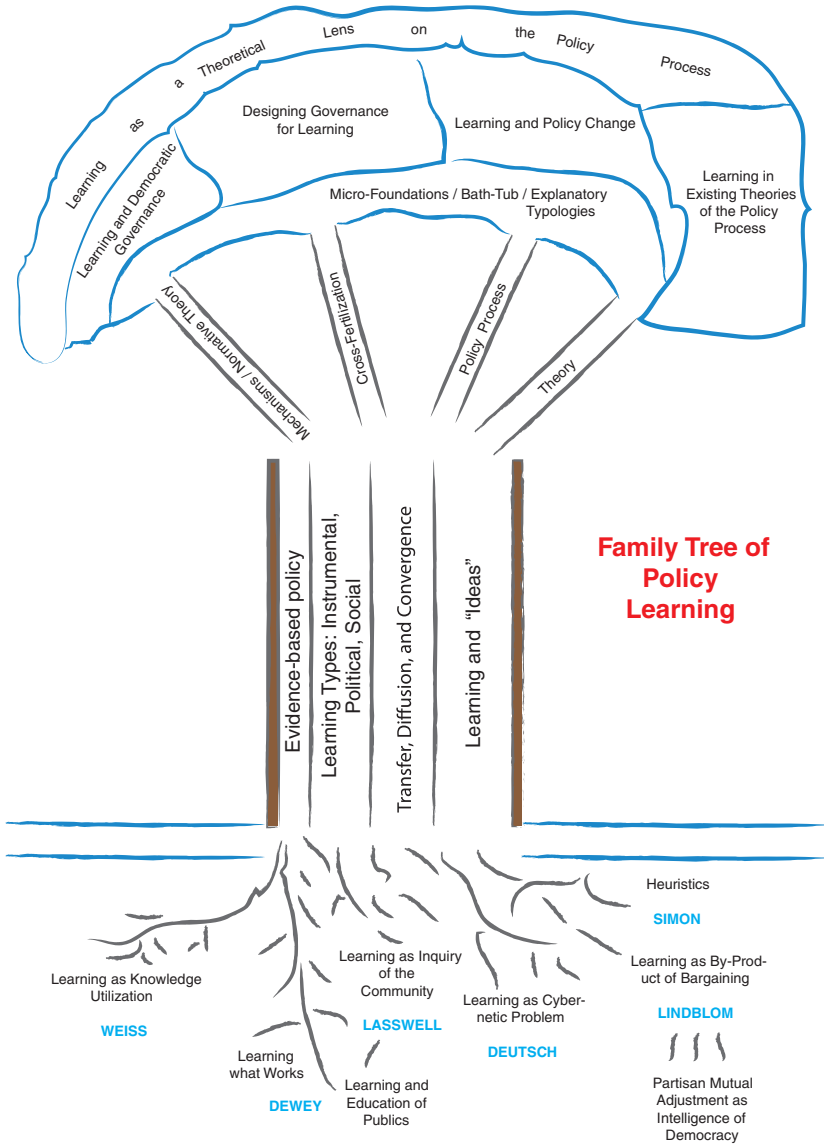
Fig. 1.1 Family tree of policy learning

developed a Deweyan perspective on learning in public policy (Ansell 2011 and Sanderson 2006, 2009 are trail blazers in this regard).

In the Deweyan perspective, learning is the solution to the problem of aligning what works with public policy and an informed, vigilant democratic public. Instead for Deutsch learning is a cybernetic problem, classically exposed in his 1963 *The nerves of government* (celebrated among others by Heclo in his 1974 study, see also Heclo 1972) and other seminal works like *Political community and the North Atlantic area* (Deutsch et al. 1957). Each system needs capabilities of its core institutions. These capabilities are indispensable to manage 'the burden' of the 'traffic load of messages and signals upon the attention-giving and decision-making capabilities of the persons or organizations in control' (Deutsch et al. 1957, p. 41). The discriminant between a system that learns and a system that does not is to secure these capabilities. For Deutsch, organizations are webs of communication. Their core function is to generate and transmit information, to react to signals and events, to deploy self-controlling mechanisms and to manage feedback. The essence of learning is a kind of special dynamic capacity of systems to recombine resources when something changes and to manage feedback coherently. Feedback is not simply finding something in the system that provides a response to an information input in the external environment. In fact, the information input 'includes the results of its own action in the new information by which it modifies its subsequent behaviour' (Deutsch 1966, p. 88). Learning is not going back to the previous point of equilibrium in the system. It is the capacity to pursue changing goals. Thus, the kind of learning that Deutsch has in mind is similar to the zig-zagging of the rabbit in a field, when the rabbit re-adjusts its direction continuously, as new changes and opportunities arise. Applied to public policy, this is a notion of learning-as-improvement (today we would say 'instrumental learning') that is socially progressive. In fact, it allows a society to draw on learning capacity to pursue new and changing goals. An implication of this cybernetic view is that learning is not limited to making policies work better or stay efficient when the economy or demographics are altered. It also includes adapting and transforming policies to follow the search for new equilibria of a zig-zagging, open society.

Lindblom's most profound intuitions did not arise out of a concern with learning but rather with the analysis of decisions, and its empirical and normative dimensions (Lindblom 1959, 1965). Decision-makers, pressure groups, experts and civil society organizations make policies

because they have objectives of power, influence, prestige or epistemic authority in society. They are not pupils in a class where the main goal is to learn. They are partisans. They mutually adjust in a process of bargaining, not a process of truth-seeking. And yet, bargaining is also a mode of learning (Dunlop and Radaelli 2013). Why? Because through bargaining and mutual adjustment, an actor learns about the strategies, intentions, volitions and preferences of other actors. This actor will accumulate usable knowledge (Lindblom and Cohen 1979). Collectively, all actors are involved in discovering the possibilities for cooperation, assuming that bargaining ends up with an agreed choice. They are therefore involved in a process of exploration of what can be achieved together, what problems can be solved, and how. Their goal may be power, votes or more members, but collectively they engage in a process of knowledge generation, exchange, and utilization.

Now, combine this with Herbert Simon's proposition that actors have limited rationality and pursue 'satisficing' solutions instead of impossible utility maximization (1947; see also March and Simon 1958). Simon opened the door to the world of heuristics, biases, framing and nudging that provides a realistic account of how partisan mutual adjustment ends up in more or less functional and desirable forms of learning. The Lindblom-Simon roots have paved the way for today's interest in cognitive psychology and experimental social sciences. A fundamental corollary of Lindblom's approach to the analysis of decisions and Simon's bounded rationality is that partisan mutual adjustment is not just an explanation of how collective decisions are taken. It is also a normative model of a pluralist, open democracy. The public good is not predetermined by intellectual cogitation but results from conflict, different opinions, pluralist views... in one word, it emerges from partisan mutual adjustment. The latter is the equivalent (in political systems) of the market in the economy.

Heclo is famous for having identified learning as solution to the problem of puzzling, or, less metaphorically, to social problem-solving under conditions of uncertainty. However, for Heclo the social dimension of learning has its own micro-foundations. Heclo argued that learning appears only at the individual level (Heclo 1974, p. 306). Yet, individuals interact: learning is therefore acquired and then diffused through patterns of collective action. Heclo's approach to learning combines individual cognition as well as the features of the social and institutional environment.

And yet, there isn't anything pre-determined in this process. Here, Heclo is mindful of Deutsch's lesson. He presents learning as a process taking place in a maze. But, this is a special maze. The walls are re-patterned all the time. Individuals work in different teams or groups. Each group has an idea of how to get out of the maze and gets in the way of other groups. Some teams even reason that getting out of the maze may not be the best solution! Note that Heclo's learning mechanisms are not random, but they are significantly shaped by social interaction, organizations (the teams), and institutions (the structure of the maze) (Heclo 1974, p. 308).

We cannot conclude the section on the roots of policy learning without mentioning the body of work developed by Carol H. Weiss (1979, 1986), who passed away on 8 January 2013. With eleven books and hundreds of articles, she made a remarkable contribution to the fields of usable knowledge and policy evaluation. But, deep down in her work runs a powerful stream of ideas about learning as solution to the problem of knowledge utilization. Her findings about instrumental, conceptual, enlightened and, later on, forced usages of evidence by organizations and in policy processes defined the pathway for the literature on policy types we will see in a moment (Weiss 1979; Weiss et al. 2005).

Thanks to her, some hard lessons dawned on the minds of political scientists: research is often not utilized by policy-makers; knowledge can be manipulated for political reasons, for example to support prefabricated biases; and, learning can end up in policy endarkenment, thus destroying the benign assumption that all learning is policy improvement and enlightenment. We can call this section of the roots the knowledge utilization perspective. In more recent times, authors like Boswell (2008), Radaelli (2009) and Dunlop (2014) have anchored their contributions to learning to this organizational perspective on knowledge utilization and Weiss in particular, showing the vitality of these roots.

The Tree Gets Stronger

The learning family tree grew stronger in the 1990s. Bennett & Howlett, 1992, May (1992) and others   developed the categorical approach to policy learning. This was the decade of learning types.

Essentially, these authors break down the concept of learning by considering different types, and identifying the prima facie evidence

that lead us to recognize a type (of learning) as 'political', 'social', or 'instrumental'. For example, Peter May (1992) delineates the evidence that would lead us to conclude that learning is instrumental (that means supportive of policy improvement), political (that is, learning about policy in a way that assists political strategies like winning elections or gaining more popularity, with policy improvement being at best an indirect outcome), and 'social' (this is the broadest type of learning, where a whole society moves from one set of ideas or policy paradigm to a new one). Contemporaneously, Peter Hall (1993) published one of the most-cited political science articles of all times in which he described paradigmatic change. Although Hall was eminently interested in building a neo-institutional theory of change, his notion of policy paradigm and the accompanying reference to social learning made a lasting contribution to the family tree (Hall 1993). Drawing on Hall, a whole literature on ideational politics, discourse, epistemic communities, technocracy, and policy paradigms developed, crossing roads with policy learning (Béland and Cox 2011; Haas 1990; Haas 1992; Schmidt 2002).

The concepts of 'policy transfer' (Dolowitz and Marsh 2000), 'policy diffusion' (Marsh and Sharman 2009), 'lesson-drawing' (Rose 1991), and 'policy convergence' (Bennett 1991; Knill 2005) gained currency in this decade and the 2000s. This was not exactly a new trajectory. Since the 1970s, scholars of American federalism observed the interaction between innovation in a state and adoption of the same innovation by other US states, with more or less predictable ripple effects (Walker 1973). But, the 1990s debate generalized the topic of laboratory federalism in the USA in terms of more explicit theories of cross-national learning.

This turn in the research agenda takes us to learning as lens to identify solutions to the research questions and practical problems arising out of cross-national diffusion. The idea is attractive: instead of learning from the experience at home, which invariably includes making mistakes, a government can learn from vicarious experience, that is the experience of other countries. Analytically, the most powerful and more general way to capture this is spatial inter-dependence (Plümper and Neumayer 2010): policy in country A depends on decisions made somewhere else. Convergence may or may not be the end-point of the learning process. Diffusion can be limited by spatial or institutional variables, like legal tradition or family of welfare. Learning from early adopters follows an S-shaped curve, but diffusion is also triggered by conditionality,

imitation, and regulatory competition (Dobbin et al. 2007; Shipan and Volden 2008).

In the family tree we are examining, there has been progress in our understanding of individual and collective learning in diffusion processes (Gilardi 2010; Meseguer 2005). Interestingly, Gilardi draws explicitly on the 1990s typological approach, distinguishing instrumental learning from political learning, and adding considerable empirical precision to his findings about the dynamic of diffusion. The difficulty with the quantitative study of diffusion (similar to other macro-level analysis of latent concepts) is ensuring the cross-national patterns identified empirically are truly representative of learning processes rather than other processes. It is plausible to attribute patterns of adoption to learning, but it's equally plausible to think of other variables. Qualitative work comes to the rescue by specifying the causality of learning in diffusion process (Weyland 2007, 2010). Rather than seeing quantitative and qualitative approaches to spatial inter-dependence as mutually exclusive, we prefer to think of them as complementary.

But, how do countries 'learn' exactly, given that they do not have cognitive capabilities of their own? And, how should they learn? The extrapolation model (Bardach 2004; Barzelay 2007)—as well as Rose's lessons-drawing approach (1991)—pins down the steps that policy-makers should follow in their search for adaptation of lessons emerging abroad to the home destination. Theoretically, Barzelay has the merit of having introduced an explicit conceptualization of the mechanisms of learning. Indeed, his approach to extrapolation is anchored to analytical sociology, where mechanisms play an important explanatory role (Hedström 2005).

Another impulse to the research agenda came from policy-makers rather than academics. Over the last twenty-five years governments and international organizations have embraced the evidence-based policy agenda—at least in their manifestos and official discourse (for example, Cabinet Office 1999). Research on evidence-based policy, or evidence-inspired policy, its biases, presuppositions and consequences has naturally emerged. Often it has crossed roads with research on the new public management (Davies et al. 2000; Nutley et al. 2003). But, significantly for our volume, it has drawn attention to learning mechanisms from a critical angle. Indeed, the applied results (as opposed to academic findings) of the evidence-based policy vision are at best mixed—possibly because of the weak and simplistic theoretical

foundations of this agenda. In its most simplistic approach, evidence-based policy does not take into account the mechanisms, especially triggers and hindrances, of knowledge utilization. It assumes a deficit model (that is, policy-makers have a deficit of good, sound evidence) that is unrealistic. Policy-makers are bombarded with information, and in any case they look at information with their own priorities, preferences, biases and political interests. At the same time, this impulse towards more evidence-based choice has inspired the adoption and diffusion of specific policy instruments, such as evaluation programmes, randomized controlled trials, and regulatory impact assessment. Thus, the last twenty-five years have also produced findings on whether evidence-based policy instruments really support learning, and if do what type of learning: instrumental or political (Dunlop 2016)? Are these instruments adopted symbolically, to show compliance with the beliefs and policy doctrine of international organizations and donor countries (Radaelli 2004)? What does their pattern of diffusion look like (De Francesco 2012; Trein 2017), are they adopted one by one, or in ecologies or constellations (Damonte et al. 2014)?

The Branches Today

In more recent years, the learning tree has produced new branches and research leaves and fruits. Indeed, there have been no fewer than six journal special issues on policy learning since 2009—two on learning and transfer (Dolowitz 2009; Evans 2009), a third on learning at the organisational level (Zito and Schout 2009), a fourth on lesson-drawing between Australia and the UK (Manwaring 2016), a collection of articles exploring learning and policy change (Moyson et al. 2017), and a sixth volume exploring the nexus of policy learning and policy failure (Dunlop 2017a). We leave it to the readers to decide whether this is a kind of 'learning 2.0 research agenda' (see the top of Fig. 1.1). Arguably, it's more a continuity and deepening of themes that are foundational to this research programme.

   We make the following claims. First, the new branches are more explicitly theoretical. Second, they are less concerned with the type of learning *per se* (instrumental, political, social …) and more focussed on the characteristics of the policy process that determine varieties or modes of learning. Third, the field is healthy, but needs genuine cross-fertilization from other disciplines. Hence, we point towards examples of interdisciplinary

research on learning. We cannot tell whether there is a rise, since systematic data are not available to demonstrate the percentage of interdisciplinary studies across time. But, we would certainly advocate that there is an objective need to go in this direction. Fourth, we are more aware of the mechanisms, especially in terms of hindrances and triggers, and of what learning does or does not do to our normative criteria.

More Theoretical

The classic way for a theoretical turn is to build explanations of learning within theories of the policy process that are explicitly formulated to explain policy change. *Theories of the policy process*, edited by Weible and Sabatier (2017), contains several examples of how learning research has turned into more theoretical directions inside major public policy frameworks. Empirical applications of the advocacy coalition framework have demonstrated however that the framework itself provides limited explanations for learning processes and how the beliefs of different coalitions translate into policy change (Henry et al. 2014, p. 304; see also Jenkins-Smith et al. 2017, pp. 151–154). Colleagues who are developing the narrative policy framework now talk about narrative learning (Shanahan et al. 2017, pp. 201–202). Others have contributed with empirical and conceptual insights to our understanding of beliefs systems, knowledge utilization, the presentation of knowledge in policy narratives, and mechanisms of learning (Moyson 2017, 2018).

Moreover, recent projects have taken learning as the object of explanation and have drilled down on its causality. Hekkila and Gerlak (2013) is a good example of how we can go theoretically from individual to collective learning taking into account both cognitive and behavioural features of the mechanisms at work. Dunlop and Radaelli (2017) have put learning in James Coleman's famous bath-tub. They start from the classic proposition, dominant in the 1990s, that learning produces policy change. There may be correlation between learning and change at the macro level. But, to make this an explanation, Dunlop and Radaelli (2017) re-construct learning from the individual level, then discuss the individual-to-individual relationships, and finally aggregate from micro to macro. In yet another iteration of how to go in an explicitly theoretical direction, Dunlop and James (2007) look at learning from the perspective of principal-agent modelling.

It's the Policy Process….!

Our second claim is that the field has become more confident in connecting learning to the characteristics of the policy process. In the 1990s, political scientists were breaking down learning by type. The types made empirical sense. They were, and are, plausible. But, they are inductive and, so, not anchored to theory.

Today, and here we take the liberty of referring to the work of two of the editors (Dunlop and Radaelli 2013), we break down learning by looking at the features of the policy process in which constellations of actors operate. These features are derived from explanatory typologies—these typologies are built theoretically, it's the combination of two independent variables that generates the cell in the dependent variable. They are also built inter-disciplinarily, using political science as well as adult education (Dunlop 2009). In short, this work shows that learning modes differ greatly depending on whether the policy process is epistemic, hierarchical, bargaining-oriented or reflexive. Kamkhaji (2017) has piloted an empirical instrument to control for the presence of these different types of learning.

The advantages of this approach are threefold. To begin with, it opens the door to an explicit consideration of what can go wrong with learning. If an expert takes an epistemic attitude within a bargaining process, they will most likely become irrelevant or professional knowledge will be distorted (Dunlop and Radaelli 2016). Another advantage is that this approach allows us to bring together the classic intuitions of the roots, especially Lindblom's partisan mutual adjustment, together with more recent developments on the policy process, specifically the analysis of experimentalist governance (Sabel and Zeitlin 2008). Finally, this approach is amenable to policy recommendations: essentially it tells actors that are frustrated with their attempts to produce learning to focus more on the structural characteristics of the policy process and less on the preferred solution or learning types (Dunlop and Radaelli 2018).

Cross-Fertilization

Beyond political science, there has been an exciting number of scholarly waves concerned with learning. Here, there is definitely continuity with the past. Already in 1988, Anne Schneider and Helen Ingram (1988) re-discovered Herbert Simon in their 'Systematically Pinching Ideas'

article on heuristics. Today, the logics of biases and heuristics is present in the analysis of how coalitions relate to each other (Leach and Sabatier 2005) and the (in)consistency of learning (Moyson 2017). The original intuition of 'Pinching Ideas' has supported a whole sub-field on policy design, which is explicit about the aim of drawing on how explanations of policy learning to design governance architectures (Eliadis et al. 2005; Howlett 2010).

Or, take the organizational and managerial lens. Grounded in organizational theory, authors like Metcalfe (1993) have taken learning as solution to the problem of triggering mechanisms of innovation in the public sector. Again, we have continuity: in the early 1980s. Etheredge and Short (1983) had spoken of 'governmental learning' to describe the rise in governmental sophistication, intelligence and analytical capacity (Etheredge and Short 1983, pp. 77–78). Today, the learning perspective on public organizations is a lively field (Easterby-Smith and Lyles 2011). For example, in her work on innovation policies, Susana Borrás (2011) links learning types to organizational capacity (see also Zito and Schout [2009] on learning and governance). Silvia Gherardi (1999) has raised a critical voice on how public organizations self-describe themselves as learning organizations to camouflage the politics of controversial choices or to silence criticisms of what the organization does. A similar take on the manipulation of language as learning appears in Thomas Alam's analysis of the European Commission (2007)—arguably, this is a critical lens on learning as solution to the problem of manipulating organizational reputation and muting controversial political choice.

Other important disciplines explicitly embraced by political scientists in the field include cognitive psychology, evolutionary and experimental economics, and adult education. Sociology and network theory and models have provided fundamental tools to understand learning. In conclusion, the scene is set for interdisciplinary work. Experiments have become a classic way to ascertain whether learning follows the pathways hypothesized by political scientists, or other, intriguing but less explored micro and organizational mechanisms. Kamkhaji and Radaelli (2017) draw on cognitive psychology and experimental economics to argue that there are empirical instances where change causes learning, instead of learning causing change. They show that contingency and surprise change behaviour without updating of beliefs. First actors change, then, when the right feedback conditions appear, they sit down and make sense of what they have done, hence they learn afterwards.

Mechanisms and Normative Implications

The assumption that learning is a 'good thing' is implicit in much of the policy learning literature. But, learning is not always desirable. We can think of individuals and organizations learning something that is dysfunctional and/or normatively unacceptable in terms of democratic accountability or legitimacy (see *Policy and Politics* special issue on policy learning and policy failure, Dunlop 2017a; Howlett and Nair 2017).

Normative implications are also important because if we want to design learning architectures (see the upper part of the tree in Fig. 1.1) or simply make recommendations we do not want to promote 'bad learning'. With this in mind, Dunlop and Radaelli's (2013) learning framework has been extended to identify the conditions for efficient learning in each of the four modes (Dunlop 2017b; Dunlop and Radaelli 2018). Exactly because of the different policy process-related contexts, different modes of learning have particular triggers or hindrances. So, for example, learning through bargaining requires repeated interactions, low barriers to contract and mechanisms of preference aggregation. To offer another example, in epistemic learning, expertise is key to problem-solving, but governments should design their advisory committees and special commissions of inquiry by recruiting a broad range of experts. The risk of excluding the next Galileo Galilei in a Ptolemaic committee is always there. At the same time, there are specific hindrances. Learning through bargaining stops when the winners are always the same, and scientific scepticism will dilute work of experts in governmental bodies.

Outlining the conditions for functionality and dysfunctionality of policy learning may also inspire policy actors to change their behaviour. Policy experts can achieve more effective engagement and impact by adopting a mode of engagement to match the context in which they operate (Dunlop 2014; see also Pielke Jr 2007).

To sum up, the policy learning literature has evolved from the contributions of the founding fathers towards a broad theoretical lens on the policy process. The theoretical lens has evolved from four—broadly defined—themes. These are learning and democratic governance; the designing of governance tools to enable policy learning; the link between learning and policy change; and, learning as an element of other theories of the policy process, such as the advocacy coalition framework. The themes are based on the conceptual foundations, such as the different

modes and types of learning, as well as the micro-foundations in the learning-bathtub. Nevertheless, it is important to mention that some problems remain in current theories of learning. First, the link between policy change and learning is not yet fully theorized and the problem of establishing causality empirically still looms large in the field. Notably, there needs to be more systematic theory-building on how different types and modes of learning are linked to policy change. Second, learning remains prone to conceptual stretching because researchers have used the term in very different ways. In evolving towards a fully-fledged theory of the policy, it is important to distinguish learning clearly from other concepts that are relevant to the analysis of public policy, such as decision-making.

The Contributions of This Volume

This book offers insights into the various branches and the top of the learning tree as well as new empirical results. In starting from the different branches of the learning tree, the chapters assemble an overview of the conceptual, methodological, and empirical variety of how learning has been used in the literature. What is more, the book chapters advance the research in the field of learning empirically, methodologically, and theoretically. Therefore, the book is interesting for a large readership. Students and researchers who are new to learning will get an overview of the breadth of the topic. Readers who are already experts in the field will discover new empirical findings, methodological possibilities, and theoretical innovations to the study of learning.

Mapping and Empirical Application of Learning Modes and Types

Firstly, the book contributes to the literature by demonstrating the conceptual breadth of the learning literature. Thereby, the chapters employ older and more recent ways of how researchers used the concept of learning for political analysis.

Classic contributions to the public policy literature mostly point to learning types (for example, instrumental learning, political learning, blocked learning) to explain the link between learning and policy change. Some of the book chapters use these types of learning and apply them to new empirical materials. For example, Chapter 8 by Bendaoud demonstrates instances of instrumental learning taking the example of

low income housing, in three Canadian provinces. In Chapter 11, Trein points to the relationship of policy (problem-solving-oriented) learning and political (power-oriented) learning, in a comparative social policy analysis but develops an explicit hypothesis of why different degrees of 'problem-pressure' come along with different forms of learning and policy change. The contribution by Vagionaki, Chapter 9, refers to blocked learning and shows how learning is blocked (or trapped) due to the domestic features of the political system.

As mentioned above, Dunlop and Radaelli proposed four modes of learning in order to advance learning conceptually and to better ground the study of learning in theory. The modes of learning—epistemic learning, reflexive learning, learning by bargaining and hierarchical learning (Dunlop and Radaelli 2013)—aim at inserting learning into different modes of democratic governance. Some of the contributions put these learning types to an empirical analysis. Notably, in Chapter 7 Daviter's analyses the relation of epistemic and reflexive learning, taking the example of EU biotechnology policy. Chapters 3 and 4, Rietig and Fasois propose yet other forms of learning. Rietig assesses experiential, factual, and constructive learning in the process of European climate and energy policy making. Fasois demonstrates how pension reforms in Belgium are a case of creative appropriation in the learning process.

Research Design and Methods Regarding the Analysis of Learning

The second contribution of the book is that the chapters demonstrate already established and new research designs and methodological perspectives. For example, learning can be either the dependent or the independent variable for scientific analysis. In the chapters by Fasois (Chapter 4), Polman (Chapter 6), Stevens (Chapter 5), and Vagionaki (Chapter 9) learning is the dependent variable and the main object to be explained. Contrariwise, the chapters by Bendaoud (Chapter 8), Helmdag and Kuitto (Chapter 14), Legrand (Chapter 10), Maggetti and Choer Moraes (Chapter 13), and Kuenzler (Chapter 12) use learning as an independent variable to explain policy change. Daviter (Chapter 7) refers to learning as both a dependent and an independent variable, whereas for Rietig (Chapter 3) it is an intervening and for Trein (Chapter 11) a mediating factor in policy change.

The contributions also provide the reader with possible varieties concerning the comparative dimension of the research design. Learning can be

analysed regarding single case studies of countries or policies (Daviter, Chapter 7; Fasois, Chapter 4; Legrand, Chapter 10; Maggetti and Choer Moraes, Chapter 13; Vagionaki, Chapter 9), comparison of individuals in policy networks (Stevens, Chapter 5), comparative policy case studies (Rietig, Chapter 3), comparison of subnational units in federal states (Bendaoud, Chapter 8; Kuenzler, Chapter 12), country comparisons (Helmdag and Kuitto, Chapter 14), and the comparative analyses of policies nested in countries (Trein, Chapter 11). Furthermore, the contributions demonstrate a broad variety of the methods that can be used to analyse data on policy learning. Most of the chapters use qualitative analysis to retract learning, i.e. they base their arguments on the reading of documents and interviews. Nevertheless, some employ other methods such as Qualitative Comparative Analysis (QCA) (Kuenzler, Chapter 12), statistical error correction models according to the standards of policy diffusion analyses (Helmdag and Kuitto, Chapter 14), as well as network analysis, notably exponential random graph models (Stevens, Chapter 5).

Empirical and Theoretical Connections to Different Strands of Political Science Research

Third, our volume provides the reader with a selection of different empirical examples that correspond to the examples researchers have employed for the study of policy learning in different countries. Furthermore, the chapters present the theoretically relevant literatures that refer—explicitly or implicitly—to learning in political analysis.

Regarding their empirical focus, some of us focus on the literature on European studies and the reference to learning therein. Precisely, Daviter (Chapter 7) and Rietig (Chapter 3) examine learning in the context of policymaking at the European level, namely regulation of biofuels and energy policy. Others focus on vertical learning in the EU context, such as the connection between the European Semester and pension reforms in Belgium (Fasois, Chapter 4), the Open Method of Coordination's influence on policymaking regarding poverty in Greece (Vagionaki, Chapter 9), as well as on the feedback from domestic implanting agencies to the European level regarding the Common Agricultural Policy (Polman, Chapter 6). The second broad empirical focus stems from the fields of social policy and public health. Helmdag and Kuitto (Chapter 14) cover learning in the field of active labour market policy across OECD countries. In Chapter 8,

Bendaoud examines low income housing in Canada. Trein compares learning regarding welfare delivery, minimum wage policy and employment policies during the economic and financial crisis (Chapter 11). Kuenzler explores learning regarding tobacco advertising bans (Chapter 12). The third broad empirical focus of the chapters extends to the transnational arena beyond the EU. Maggetti and Choer Moraes (Chapter 13) demonstrate how learning affected the adoption of International Investment Treaties in Brazil and, in Chapter 10, Legrand presents findings on the politics of regulating multinational corporations, in Australia.

From a theoretical perspective, we show how different strands of the political science and public policy literature—in addition to the learning literature itself—have used learning as an analytical tool to understand dynamics of policy and politics.

1. To start, some of our authors point to learning in the Europeanization context. Notably, the pieces uncover successful and unsuccessful learning in soft (Fasois, Chapter 4; Vagionaki, Chapter 9) and hard (Polman, Chapter 6) policy tools in the Europeanization of national policies in European Union member states.

2. Second, two studies refer to the comparative political economy and comparative politics literature and demonstrate the role of learning in the social policy reforms of the last decades, notably reforms related to containing costs and privatize services. Precisely, the pieces provide new empirical evidence (Bendaoud, Chapter 8) as well as new theoretical insights concerning the way of how actors learn in these contexts (Trein, Chapter 11).

3. Third, one of our authors investigates learning in the context of the collaborative innovation literature (Ansell and Torfing 2014). Precisely, the piece shows how individuals in a public administration network do (and do not) learn from one another (Stevens, Chapter 5).

4. Fourth, we enter the world of learning in the policy diffusion context. This is to introduce the reader to the policy diffusion literature but more importantly to present new empirical evidence for how learning can be analysed in a diffusion context (Helmdag and Kuitto, Chapter 14).

5. Fifth, one contribution connects learning to the Multiple Streams Framework and demonstrates how learning can influence agenda setting in the context of tobacco control policy (Kuenzler, Chapter 12).

6. Sixth, Maggetti and Choer Moraes (Chapter 13) point to delayed learning in the international political economy literature, notably concerning bilateral investment treaties.
7. Finally, Legrand (Chapter 10) draws on policy transfer—a literature that is historically related to learning—in his analysis of Australian regulations on multinational corporations.

Note

1. In the mid-2000s, Professor Sanderson moved from the Policy Research Institute at Leeds Metropolitan University to become director of the Scottish Government's Corporate Analytical Services Division.

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Lessons Learned and Not Learned: Bibliometric Analysis of Policy Learning

Nihit Goyal and Michael Howlett

The idea that governments can *learn* is not new in political science or public policy. In his classic theoretical study, Deutsch (1963), for example, proposed a cybernetic approach to politics which emphasized the role of feedback and control in government. Arguing that government must collect, store, process, and use information for decision making, his study implied a strong role for learning in policy-making.

Similarly, in his famous account of learning in policy-making, Heclo (1974) found the traditional notions of conflict and power in politics to provide an incomplete explanation of policy change. Against the then dominant view that such processes constituted an all-encompassing model of policy-making, Heclo posited that political learning was an important factor in explaining the content and timing of policy development. He contended: 'politics finds its sources not only in power

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but also in uncertainty—men [sic] collectively wondering what to do…'
(1974, p. 305). His argument was not that power did not play a role,
or that learning was more important, but that both *coexisted* depending
on the policy dynamics in an issue area. Thus, for Heclo and those who
followed in his footsteps, policy-making should be viewed not just as a
form of interest or ideologically-driven struggle but rather 'as a form of
collective puzzlement on society's behalf' (Heclo 1974, p. 305).

These insights led to a research effort focussed on better under-
standing the role played by ideas and information in government and
policy-making (Etheredge 1979, 1981; Etheredge and Short 1983) and
by the early 1990s, scholars had identified several different 'types' of
learning such as political learning (Heclo 1974), policy-oriented learn-
ing (Sabatier 1988), social learning (Hall 1993), government learning
(Etheredge 1979), and lesson drawing (Rose 1991), among others.

Bennett and Howlett (1992) noted at the time that policy learn-
ing was already prone to conceptual fragmentation and stretching, and
required some definitional clarification and focus if it was to contribute
in a sustained way to policy studies. However, while research on the topic
witnessed sustained growth since then, as argued below, these efforts
have rarely grappled in detail with the fundamentally different varieties
and nuances of learning activities identified during this early period and
have failed to generate a sustained research effort moving our under-
standing of policy-related learning forward. Not only have early divisions
maintained their own unique research trajectories, but they have also
been joined by newer concepts and research which have also not served
to unify the field or move it much beyond the initial observations made
in the formative period of the late 1980s and early 1990s.

As the bibliometric analysis of the policy learning literature under-
taken below shows, while the number of pertinent publications pertain-
ing to the topic increased steadily from less than 10 per annum before
the year 2000 to approximately 40 each year over the past decade, the
nature of research findings in this field have not been sufficiently cumula-
tive to constitute an active research programme generating generalizable
findings on the phenomenon.

Despite a great deal of writing on the topic, the same definitional and
conceptual problems continue to affect research on policy learning today
as they did two decades ago. Studies of learning still differ in terms of
their focus on policy ends, policy means, policy implementation, or political
impact and these subjects continue to be discussed in separate clusters

in the literature (as conceptual learning, instrumental learning, 'implementation as learning', and political learning (Grin and Loeber 2007; May 1992)). What is more, the terminology and insights generated in each cluster have not been shared amongst research areas; scholars continue to work in silos without much cross-fertilization, or even conceptual and empirical sharing, of data, knowledge, and insights (see, for instance, Dolowitz and Marsh 2000; Gilardi 2016; Marsh and Sharman 2009).

These quantitative findings echo recent qualitative reviews which have also found that the notion of policy learning remains prone to concept stretching, empirically underdeveloped, and methodologically difficult to operationalize (Dunlop and Radaelli 2013). As a result it is unclear exactly what lessons policy scholars can draw from this wealth of studies and the field remains fragmented and knowledge of policy learning at best partial. Each of these issues is discussed in turn below.

First Order Fragmentation: Scholars Not Learning from One Another

To further the study of policy learning and identify the nature of the research trajectory in the field, this chapter analyses the policy learning literature over the 40 year period 1976–2016 using a bibliometric review; that is, by examining information on authors, publication year, cited references, source title, keywords, publication title, and abstract for several thousand academic articles which appeared in leading journals in the field.

The review was performed using Microsoft Excel and VOSviewer (van Eck and Waltman 2007, 2010).[1] In contrast to existing qualitative, case-oriented, reviews on the topic, this provides a bird's-eye view of policy learning using machine-learning, bibliometric techniques to incorporate a much a larger corpus of published material than previous surveys of the field have used. This large-n quantitative study allows us to note the key works in the field, assess how they are related, and investigate how key questions about the nature and focus of policy learning have been researched over the years.

Through a search of the Web of Science database, this study ultimately identified and analysed 547 publications on policy learning since 1976, including 481 articles, 21 articles cum proceedings papers, 20 proceedings papers, 11 editorials, 13 reviews, and one review cum book chapter.

The search query on the ISI Web of Science database was: *'govern* learning' OR 'learning' AND 'public polic*' OR 'lesson* drawing' OR 'polic* learning' OR 'polic* oriented learning' OR 'soci*al learning' AND 'polic*'*. This search returned 2153 publications (on April 5, 2017), which were screened in four stages. First, biographical items, book reviews, news items, and notes were excluded from the analysis. Second, publications not relevant to learning in public policy were excluded based on a scan of the publication titles and source titles. Third, publications that did not contribute to an understanding of learning as an independent variable, mechanism, or dependent variable were excluded based on a scan of the publication titles and abstracts. The resulting dataset consisted of 956 publications relevant to learning in public policy, including 827 articles, 47 proceedings papers, 38 articles cum proceedings papers, 27 reviews, and one review cum book chapter. Fourth, this dataset was further screened to exclude publications that did not contribute to an understanding of policy learning. The final dataset contained the 547 publications cited above.

The study found the most cited publications on policy learning to be: Hall (1993), Sabatier (1987, 1988), Bennett and Howlett (1992), Dobbin et al. (2007), Sanderson (2002), Borrás and Jacobsson (2004), Betsill and Bulkeley (2004), Weible et al. (2009), and Lingard (2010).

However, an article may not have been cited for its contribution to the policy learning literature but for contribution to another topic. For example, Hall (1993) may be frequently cited also by studies on policy change and policy paradigms, while Sabatier (1988) may be cited also by articles on the advocacy coalition framework or policy networks. The number of times a publication is cited by or cites another study within the dataset—that is, its link strength in a citation network—is a better indicator of its centrality to the policy learning literature (Fig. 2.1).

The publications with the highest intra-link strength in this dataset includes several of the above mentioned works, such as Hall (1993) (124 links), Bennett and Howlett (1992) (89 links), Sabatier (1987 (28 links), 1988 (64 links)), Dobbin et al. (2007) (22 links), and Sanderson (2002) (21 links), but also include other publications such as Dunlop and Radaelli (2013) (27 links), Zito and Schout (2009) (25 links), Radaelli (2009) (22 links), and Heikkila and Gerlak (2013) (19 links).

This citation network pattern underscores the fragmentation of knowledge on the topic noted above. What is even more telling however, is that more than two hundred publications did not cite *any* other
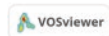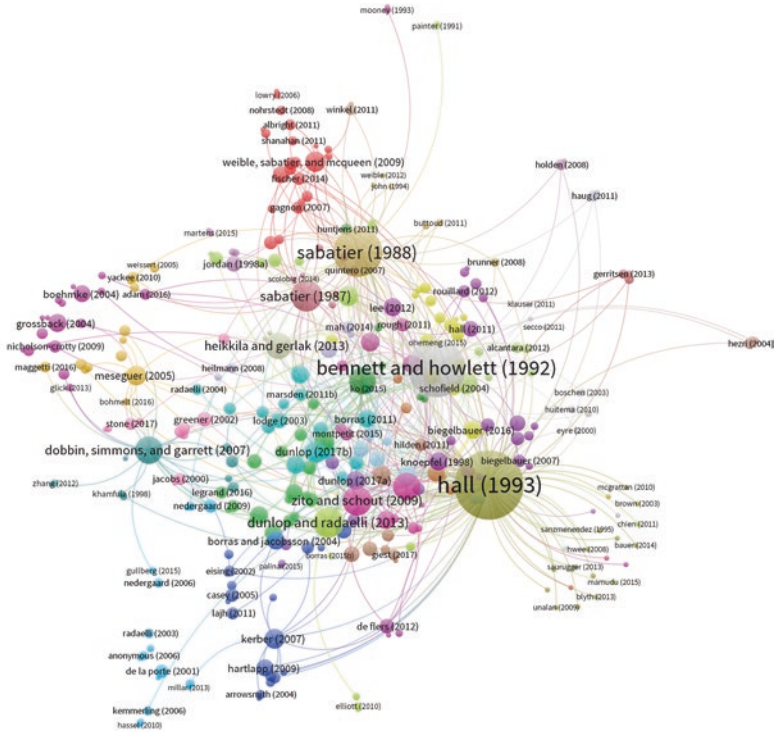
Fig. 2.1   Citation network of publications relevant to policy learning[2]

publication within the dataset, as the largest connected subgraph consisted of only 345 publications. This suggests that many authors use the term quite loosely and idiosyncratically, with little reference to existing conceptual works on the subject.

Overall, this pattern suggests that many publications use the concept of learning descriptively rather than analytically, and that those authors who do use it analytically do not build systematically on existing research; but draw on a variety of different works in a disjointed effort by diverse research communities to grapple with the topic rather than engage in a sustained and focussed effort by a self-aware group of scholars.

This hypothesis is reinforced by an examination of the collaboration networks present in the field. Out of over 800 authors who have published at least one piece relevant to policy learning, the most published authors were Radaelli and Dunlop with eight each, Sabatier and Howlett with five each, Borrás and Marsden with four each, and Sanderson, Bulkeley, Weible, and Nicholson-Crotty with three each. In addition, the largest network among collaborators consisted of only 12 authors (Fig. 2.2). That is, in nearly four decades, the average author had collaborated with less than two other authors to publish on policy learning and had only published infrequently on the topic.

Given this disparate set of independent authors, it should then be no surprise that the publications on policy learning also spanned numerous
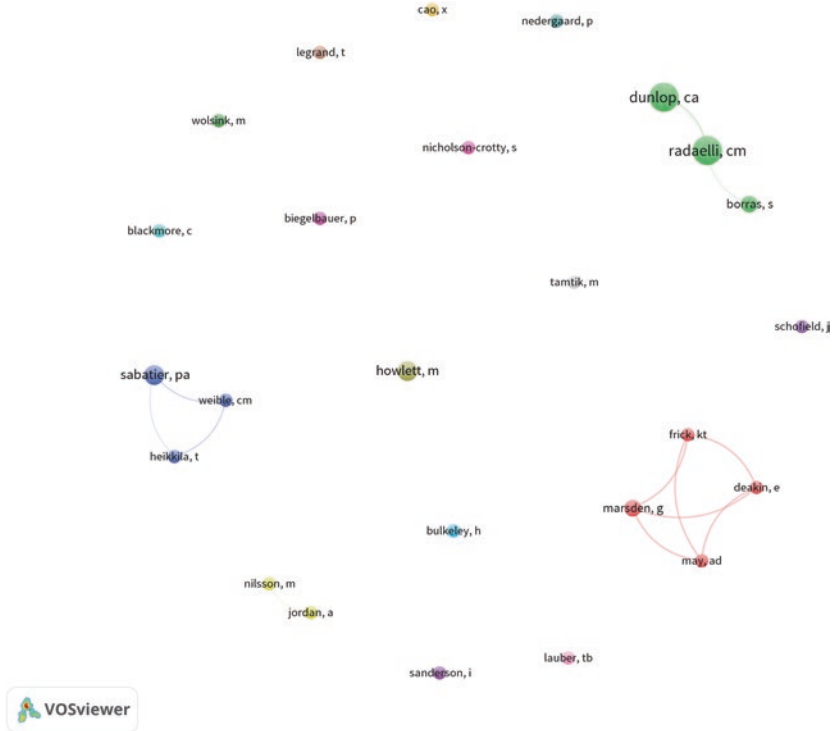
Fig. 2.2 Co-author network of authors with three or more publications relevant to policy learning[3]

sources. In all, 273 sources accounted for publications on the topic with the top 15 sources accounting for only about 30% of the total. Within policy analysis, the sources with highest publications were also scattered with *Journal of European Public Policy* (28 outputs) and *Policy and Politics* (21 outputs) are the only journals with more than 20 articles (less than one per year) on the topic. *Policy Studies* (17 outputs), *Policy Sciences* (16 outputs), and *Policy Studies Journal* (12 outputs) had less than 0.5 per year.

Moreover, a significant volume of research relevant to policy learning occurred outside the core journals in policy analysis. Highlighting the fragmentation in the field, sources in public administration (*Public Administration*: 12 outputs), ecology and environment (*Ecology and Society*: 8, and *Forest Policy and Economics*: 7 outputs), and European politics (*West European Politics* and *Austrian Journal of Political Science*: 7 outputs each) also had similar numbers of articles on the topic to the mainstream policy journals.

This pattern is similar to the one identified in a bibliometric study of research on policy implementation by Saetren (2005). There, he argued that this was not a healthy sign of a dynamic research agenda within the discipline. The same can be said here: while many scholars have recognized the significance of policy learning, no sustained collaborative effort to clarify core concepts and move research forward has been made within the discipline. There is little agreement on core concepts and works, and authors publish on the subject infrequently and in a miscellaneous assortment of journals and venues, further highlighting the peripheral nature of these studies and the lack of a focussed research programme.

Thin Learning: Distinct Orientations of Research

The issue of the fragmentation of efforts being made to study the topic systematically is very clear. And closer examination of the structure of research activity relevant to policy learning indicates the presence of not one but at least four key strands of research pursued by different authors in different fields, from policy analysis to comparative politics and international relations: policy transfer, policy diffusion, open methods of coordination, and policy change/advocacy coalition framework (ACF) (Fig. 2.3, Table 2.1). The situation of each of these topics is set out below.

Fig. 2.3 Co-occurrence network of titles and abstracts of publications relevant to policy learning[4]

The literature on policy diffusion began primarily with the work of Walker (1969) on adoption of 'policy innovation' across American states. Studies on policy diffusion since then have focussed on explaining the form and pace of policy adoption across polities. In this literature, policy diffusion is generally seen as a result of interdependence amongst polities, arising from learning, emulation, competition, or coercion. Policy diffusion studies do not assume that learning is perfectively rational or limited to policy effectiveness. Meseguer (2005), for example, highlighted that learning may be boundedly rational, explaining not only policy convergence but also policy divergence, while Weyland (2005) argued that learning was based on heuristics rather than utility maximization. However, these distinctions have not been emphasized in the policy learning literature.

While policy diffusion studies have been undertaken largely by students of comparative politics and, by and large, have focused on the role

Table 2.1 Clusters in the co-occurrence network of titles and abstracts of publications relevant to policy learning

Cluster	Terms
1	Ability, action, actor, behaviour, capacity, case study, challenge, communities, complexity, condition, context, contribution, creation, decision, decision making, demand, dialogue, effect, evaluation, existence, expert, governance, implementation, interaction, issue, knowledge, likelihood, management, motivation, networks, objective, organisation, organisational learning, participation, pattern, perspectives, practice, practitioner, problem, process, region, relationship, resource, science, society, solution, stakeholder, structure, term, transformation, uncertainty
2	Adaptation, agency, agent, Australia, barrier, Canada, case, China, concept, constraint, crisis, dimension, element, emergence, England, evolution, failure, focus, Germany, government, health, idea, institution, institutional change, lesson, lesson drawing, model, nature, need, opportunity, period, person, policy failure, policy transfer, reforms, regulation, relevance, response, Scotland, success, system, transfer, US
3	Adoption, benefit, cities, climate change, competition, cost, debate, diffusion, effectiveness, emphasis, evidence, experience, experimentation, findings, implication, incentive, influence, information, initiative, innovation, interview, jurisdiction, learning, legitimacy, literature, local government, outcome, part, policy design, policy diffusion, policy innovation, policy maker, politic, public policy, research, researcher, risk, scholars, state, survey, type
4	Best practices, convergence, cooperation, coordination, country, decade, development, dynamic, economy, effort, empirical finding, empirical study, environmental policy, EU, Europe, Europeanisation, framework, goal, impact, innovation policy, instrument, interest, markets, mechanism, member state, method, national level, OECD, open method of coordination, place, policy, policy instruments, policy learning, policy making, power, pressure principle, programme, question, relation, review
5	Advocacy coalition framework, belief, change, coalition, conflict, data, discussion, examination, factor, group, hypothesis, importance, insight, Netherlands, order, participant, policy change, policy process, proposal, role, shift, social, social learning, strategies, support, Sweden, theory, time

of institutional and cultural structures in promoting or facilitating convergence, this is not the case with policy transfer studies which have been a central focus of studies in international relations and have paid greater attention to the role of agency (Marsh and Sharman 2009).

This strand of the literature originated largely in the work of Rose (1991) on lesson-drawing and was extended by Dolowitz and Marsh

(1996, p. 344), who defined policy transfer as 'a process in which knowledge about policies, administrative arrangements, institutions, etc. in one time and/or place is used in the development of policies, administrative arrangements and institutions in another time and/or place is used in the development of policies, administrative arrangements and institutions in another time and/or place'. This stream of research has identified various categories of actors who may be involved in a transfer, such as elected officials, political parties, bureaucrats, pressure groups, policy entrepreneurs, and supra-national institutions, and has hypothesised that different actors may show interest in different objects of transfer. However, this literature is not well connected with the policy diffusion literature, notwithstanding the obvious potential synergies and the potential of this work to shed light on the interactions of both agency and structure in learning.

In contrast to these two perspectives, a third cluster of studies on the open method of coordination (OMC) also exists. This stream is less theoretical and more geographically focussed, with a specific interest in governance to promote economic growth and social cohesion within the European Union (EU) (De La Porte et al. 2001). Undertaken virtually exclusively by specialists in European politics, the idea under investigation is how OMC-type mechanisms practiced by the EU have facilitated sharing of best practices through mutual co-operation and knowledge transfer (Borrás and Jacobsson 2004). Although the inclusion of the term 'policy learning' in this cluster indicates the effort to integrate this literature with that on learning (Zito and Schout 2009), the OMC literature has focussed almost exclusively on experiences within the EU, which are to a certain extent sui generis. Once again, this cluster represents a missed opportunity to link up to research on policy diffusion and transfer, despite the similar orientation of such work.

Finally, the fourth cluster is one centred on the literature on advocacy coalitions (Sabatier 1988). The advocacy coalition framework views policy-oriented learning as one outcome of contestation between competing advocacy coalitions attempting to implement their goals and preferences through policies. As has been noted before, this is a key characteristic of policy-making in the United States, but lacking in many other countries and systems of government, where such open contestation is often discouraged or frowned upon. In this fourth stream, not surprisingly, most works have been undertaken almost exclusively by students of American politics and focussed on political processes internal to that polity, again failing to synthesize these findings with those in any of the other streams, or more generally.[5]

That multiple research areas have used and contributed to ideas on policy learning, of course, suggests that learning is an important factor in the policy process whether seen from a sectoral or geographical focus, or whether undertaken by students of public administration, international relations, comparative politics or regional or country-level specialists. However, the limited integration and geographically or disciplinarily-specific focus of much of this work amongst these research areas explains, at least to some extent, the problem of fragmentation identified by earlier reviews on the topic, as these different subject areas employ terms somewhat idiosyncratically. As noted above, this challenge is exacerbated by the absence of a discernible common core of work on policy learning to which all might refer. Further, even though other theories of policy change, such as institutional isomorphism or punctuated equilibrium, have discussed various concepts that relate to learning—for example, normative change, socialization, and policy feedback—little effort has been made at integrating this diverse knowledge on learning types and processes with more empirical studies into a coherent framework that would apply across levels and contexts of analysis.

What We Can Learn: Lessons Not Learned

A more detailed analysis of the use of theories, methods, policy areas, and geographies that have (and have not) been discussed in the literature bears this out. Table 2.2 sets out the main theoretical concepts used in the literature, which again indicates the lack of a systematic research agenda or any kind of over-arching conceptual framework. This might be due to over-theorisation and inadequate operationalisation as Dunlop and Radaelli (2013) have suggested, but also reflects the absence of a framework to structure the research, the disparate orientations of scholars interested in the subject, and diverse venues in which they publish.

On the whole (see Table 2.2), studies have focused more on the policy process (as suggested by the prevalence of terms such as 'policy change', 'policy failure', and 'policy convergence') and agency (as indicated by terms such as 'government', 'policy networks', and 'advocacy coalition'). Even though OMC and advocacy coalition research, and studies of policy diffusion, have suggested that institutional factors may be important in understanding the content of learning, research involving the relationship between institutional factors and learning has been limited. For example, terms such as policy capacity and learning style were mentioned fewer than three times in publication titles and abstracts.

Table 2.2 Theoretical concepts in the titles and abstracts of publications relevant to policy learning (term: count)

Government:61; actor:58; lesson:57; social learning:57; policy change:53; implementation:51; knowledge:46; policy transfer:45; idea:44; diffusion:39; governance:37; networks:36; policy process:36; innovation:33; institution:32; politic:31; advocacy coalition framework:30; capacity:26; lesson drawing:25; failure:24; design:23; evaluation:22; coalition:21; open method of coordination:21; success:20; transfer:20; adoption:19; instrument:19; markets:16; policy diffusion:16; power:16; risk:16; structure:16; crisis:15; belief:14; best practices:14; institutional change:14; policy innovation:14; uncertainty:14; complexity:13; conflict:13; convergence:13; policy design:13; policy failure:13; agent:12; jurisdiction:12; legitimacy:12; participation:12; policy instruments:12; transformation:12; adaptation:11; agency:11; experimentation:11; behaviour:10; competition:10; cooperation:10; local government:10; regulation:10; international relation:9; new policy:9; norm:9; policy area:9; policy convergence:9; policy implementation:9; policy network:9; policy objective:9; accountability:8; advocacy coalition:8; authority:8; collaboration:8; commission:8; experiment:8; formulation:8; interest group:8; policy actor:8; policy analysis:8; policy decision:8; policy lesson:8; policy outcome:8; public administration:8; beliefs system:7; collective action:7; decentralisation:7; epistemic communities:7; ideology:7; institutional context:7; international organization:7; knowledge transfer:7; legacy:7; policy development:7; policy idea:7; political system:7; regime:7; transitions:7; agenda:6; federal government:6; institutional learning:6; knowledge utilisation:6; monitoring:6; paradigm shift:6; path dependence:6; policy choice:6; policy experimentation:6; policy problem:6; political learning:6; subsystem:6; translation:6; adaptive management:5; capacity building:5; civil servant:5; civil society:5; collective learning:5; devolution:5; divergence:5; emulation:5; federalism:5; instrumental learning:5; mobilization:5; multilevel governance:5; policy approach:5; policy formulation:5; policy framework:5; policy making process:5; policy transfer process:5; public participation:5; technical learning:5; democracy:4; governance learning:4; institutional arrangement:4; institutionalization:4; internationalization:4; mutual learning:4; negative lesson:4; policy adoption:4; policy arena:4; policy borrowing:4; policy goal:4; policy intervention:4; policy issue:4; policy output:4; policy paradigm:4; policy scholar:4; policy success:4; policy tool:4; policy window:4; political actor:4; political leader:4; political party:4; political process:4; previous policy:4; public opinion:4; public service:4; social construction:4; socialization:4; administration:3; agenda setting:3; benchmarking:3; bureaucracy:3; federal system:3; federation:3; governance mechanism:3; government agenda:3; impact assessment:3; institutional capacity:3; institutional design:3; institutional setting:3; instrumental policy learning:3; international organisation:3; mobility:3; paradigm:3; policy analyst:3; policy appraisal:3; policy cycle:3; policy domain:3; policy effectiveness:3; policy entrepreneur:3; policy field:3; policy implication:3; policy knowledge:3; policy legacy:3; policy mix:3; policy path:3; policy practice:3; policy preference:3; policy reform:3; policy solution:3; policy system:3; political culture:3; political support:3; polity:3; power relation:3; privatisation:3; public management:3; reflexive social learning:3; regime theory:3; regulator: 3; technological change:3; third order change:3; transition management:3

As for the methods used to analyse learning, these included primarily case studies (51 outputs), with much fewer efforts using techniques such as social network analysis (4 outputs), and document analysis (3 outputs). Though the need for comparative research is readily apparent and has been emphasized by many authors, it has not been followed to the same extent—the term 'comparative analysis' was mentioned in only eight publications and the term 'comparative study' in only three. Techniques of data collection included interviews (interviews: 34, in-depth interviews: 4, and elite interviews: 3 outputs), surveys (13 outputs), reviews (11 outputs), and questionnaires (3 outputs). The abstracts of only three publications specified the use of secondary data for analysis.

Similarly, while research has focused more on country or countries as the level of analysis (for example, country: 68, member state: 19, national level: 15, and nation: 9 outputs), provinces/states (>14 outputs), cities (21 outputs), local governments (10 outputs), regions (16 outputs), and supranational levels (>3 outputs) have also received attention. However, the geography of research has been biased towards the developed world. Apart from China, countries in Africa (South Africa: 3 outputs), Asia (South Korea: 5, Hong Kong, Indonesia, and Japan: 4, and India: 3 outputs), and South America (Brazil: 7 outputs) have been studied far less than those in Australia, Europe, or North America. The most studied countries were: Canada (21 outputs), China and Germany (18 outputs each), US (16 outputs), UK (England: 12, Scotland: 10, Wales: 7, Britain: 6, Northern Ireland: 6, and UK: 8 outputs), Sweden (12 outputs), Australia (11 outputs), and Austria (8 outputs). Further research in developing countries would thus help facilitate the development of more complete and robust theories on learning.

Thus, the topic remains ripe for greater levels of comparative research that use existing case studies and secondary data to build better and more inclusive concepts and insights. In addition, the literature on learning has covered numerous issue areas spanning economic, environmental, innovation, science and technology, and social policy—health and science (14 outputs each), climate change and economy (12 outputs each), environmental policy and innovation policy (10 outputs each), education and environment (9 outputs each), and health policy and social policy (7 outputs each). Nevertheless, some areas merit further attention, such as agricultural, finance, energy, and foreign policies which have not figured as prominently in these studies despite their significance generally at both the domestic and trans-national levels (Fig. 2.4).

Fig. 2.4 Word cloud of terms pertaining to policy areas in publication titles and abstracts relevant to policy learning[6]

BEYOND POLICY ANALYSIS: A DIVISION BETWEEN STUDIES OF POLICY LEARNING AND SOCIAL LEARNING

Finally, this study identified a significant and little noted overall division within the field which has also contributed to its fragmentation and lack of sustained conceptual and theoretical growth. As mentioned above, the study identified 956 publications pertaining (analytically) to learning in public policy through a search of the Web of Science database. The most frequently occurring keywords used to describe these publications were: policy learning (133 outputs), social learning (128 outputs), governance (49 outputs), learning (41 outputs), public policy (37 outputs), policy transfer (37 outputs), climate change (28 outputs), EU (26 outputs), adaptive management (23 outputs), and policy change (20 outputs).

A co-occurrence network of publication title and abstract content of these publications indicated the presence of five clusters in the literature (Fig. 2.5).

As this shows, the largest cluster corresponded to literature on *policy learning*. This cluster included several terms that have been discussed above—for example, OMC, policy diffusion, policy failure, policy innovation, and policy transfer. The presence of issues in political science, such as influence, international relations, party, power, and pressure,

Fig. 2.5 Co-occurrence network of publication titles and abstracts of articles pertaining to learning in public policy[7]

reflected the predominant disciplinary orientation of this literature in contrast to other literature on learning in public policy. Further, social policy was the most frequently examined policy area within this cluster; other policy areas closely associated with this cluster were environmental policy and innovation policy. Also, as noted earlier, the countries associated with this cluster were mainly from continental Europe (except for the US)—Austria, Germany, the Netherlands, and Sweden.

However, a second large cluster consisted mainly of literature on *social learning*. The research areas that have focussed on social learning come mainly from outside policy analysis and include those in natural resource management, adaptive management, and transitions management. While social learning in policy analysis implies higher order learning within the policy community (Bennett and Howlett 1992; May 1992), in these other fields it often refers to learning in society through social interaction and dialogue. The literature in this cluster has focused on issues in ecology/environment—adaptation, biodiversity, climate change, flood, local com-

munity, natural resource, social ecological system, sustainable development, uncertainty, water, and water resource. Schusler et al. (2003, p. 317), for example, posited that 'open communication, diverse participation, unrestrained thinking, constructive conflict, democratic structure, multiple sources of knowledge, extended engagement, and facilitation' enabled social learning in sustainable natural resource management. Further, learning has been considered as important for managing ecosystems and addressing socio-environmental challenges in the adaptive management literature (Armitage et al. 2009). Social learning has also been proposed as a non-coercive governance instrument in natural resource management (Ison et al. 2007). Such studies, of course, lead quite far away from the core concerns of policy scientists and the policy sciences.

It is interesting to note this dichotomy between the literature on policy learning and the literature on social learning.[8] The clustering of nodes away from each other (rather than in between) and the relatively limited connections between the two clusters again suggests that few studies have integrated, or even combined, these two perspectives on learning. Yet, the bottom-up orientation of the literature on social learning—indicated by its emphasis on the 'local' (local community, local knowledge, and local level) and participation (collaboration, collective action, communication, dialogue, engagement, involvement, participant, participation, participatory, and public participation)—could offer new ideas for the theoretical development of policy learning in the policy sciences, which often focuses on governments and more formal institutions, such as including non-governmental organisations (NGOs) and international and trans-national actors and organizations. Similarly, the literature on social learning, for example in transition studies (Voß and Bornemann 2011), could also draw useful lessons on the relationship between learning and politics from the literature on policy learning.

Conclusion

In a series of recent articles, Dunlop and Radaelli have undertaken the task of conceptual and methodological advancement of research on policy learning and, in the process, furthered knowledge on the subject. For instance, they have conceptualized learning as a process rather than an output, provided a framework for comparative case research by distinguishing between *modes* of learning based on problem tractability and legitimacy of actors in a policy area (Dunlop and Radaelli 2013),

demonstrated the application of this framework for empirical research (Dunlop and Radaelli 2016), linked policy learning to failure (Dunlop 2017) and showed the effect of the 'learning model' of a regulatory policy instrument on its effectiveness (Coletti and Radaelli 2013).

This is a useful approach since, as this bibliometric review suggests, the problem of concept stretching and fragmentation of research efforts among multiple fields, orientations, and subjects is symptomatic of fundamental problems in the sociology of research on policy learning. Studies have failed to clarify key concepts and develop coherent frameworks and theories, and rather have moved in many competing directions and orientations. Although the literature on the topic is not (yet) voluminous, it has been scattered from its outset across numerous strands of research within and outside policy analysis. The co-author, citation, and co-occurrence networks examined here highlight limited collaboration amongst scholars, limited consolidation of knowledge, and limited integration amongst different research areas.

Within policy analysis, the research areas that discuss learning include the advocacy coalition framework, OMC, policy diffusion, and policy transfer. Policy learning, itself, does not comprise a distinct cluster within the literature. A framework for policy learning, possibly built along the lines of the framework for policy transfer (Dolowitz and Marsh 1996), might enable integration of knowledge on the topic and guide future research. The framework can deal with the basic questions such as who learns (actors), what (lessons), to what effect (outcomes) (Bennett and Howlett 1992), how (modes of learning), and why or why not (causes of learning, misdirected learning, or non-learning) (Dunlop 2017; Howlett 2012; Rose 1991), which have motivated study of the subject since the early days of Deutsch and Heclo.

There is also a need to examine the role of learning in theories of policy change which have not explicitly invoked the concept. For example, DiMaggio and Powell (1983) argue that institutional and organizational change can be driven by coercive, mimetic, or normative pressures. To what extent do these processes involve learning and, if so, of what nature? Similarly, Baumgartner and Jones (1991) posit that the dynamics between policy image, i.e. 'the interaction of beliefs and values,' policy feedback, and institutional venues help determine policy stability and change. (How) Does knowledge or learning interact with the forces that drive these processes and (how) do these interactions influence policy change?

Research into such questions, along with more and better cross-national and cross-sectoral comparative studies, may help connect diverse strands of literature in policy analysis and elucidate the role of learning in policy change. Methodologically, this study has also highlighted the paucity of comparative analyses and studies that use secondary data. While Bennett and Howlett (1992) noted the need for further empirical development of the field, Heclo (1974) and May (1992) both proposed the use of existing cases for theory testing and refinement. This study found that numerous studies on policy learning, regardless of their primary or secondary orientation, tend to be descriptive. These may provide a data-bank of cases on various policy issues, however, from which it may be possible to combine their insights in future comparative research. Future studies, however, should expand geographical coverage of the literature to test theories in Africa, Asia, and South America. The variations in economic, political, social, and technological factors within these geographies and between these geographies and Europe and the US would facilitate theory refinement and increase generalizability of findings. New research can also simultaneously assess phenomena at different scales—subnational, national, and supranational—and units of analysis—the individual, the organisation, and the network—to identify and test the mechanisms suspected to underlie policy learning.

With respect to the latter point, this study noted the wide theoretical, methodological, and geographic spread of existing studies and the divisions which exist between studies which focussed on agency and those which highlighted structures. Assessing whether and to what extent different institutions have different learning styles which if this results in variation in learning across policy areas or policy venues is another key question which can help form the agenda for a new wave of learning research in the policy field. Illustratively, Lange and Alexiadou (2010) argue that education policies in the EU could be categorised based on policy learning styles—competitive, imperialistic learning, mutual, and surface. Also, Zhang (2012) claim that institutional similarities resulted in a shift in the policy learning style of the Shenzhen area in China from that of Hong Kong to Singapore. Such studies can help lead the way in this area of inquiry. On the conceptual front, these findings also call for more and better research on the relationship between the bureaucracy and policy learning, and between institutions and policy learning. Heclo (1974, p. 301), for example, had stated: 'forced to choose one group among all the separate political factors as most consistently important…

the bureaucracies of Britain and Sweden loom predominant in the policies studied.' Although Hall (1993) rejected the centrality of the bureaucracy in cases of *third-order* policy change, he corroborated its role in *first-* and *second-order* policy change. Yet, how bureaucratic structures affect the content or timing of policy, and social, learning is not clearly understood.

Similarly, research on the relationship between structural and agency-level variables and policy learning has been limited. For example, how does policy capacity—'the competencies and capabilities important in policy making' (Wu et al. 2015, p. 1)—affect policy learning and, in turn, how does policy learning affect policy capacity? Better understanding of the role of institutional factors, such as policy capacity and policy learning style, might help explain the underlying mechanisms that result in both successful learning and 'pathologies of learning' (Dunlop 2017).

Finally, this study has also shown that policy learning is only one research area with an interest in understanding, explaining, and fostering learning in public policy. Outside policy studies, scholars in adaptive management, decentralisation, decision making under uncertainty, reflexive governance, and transitions management have also shown interest in understanding processes of adaptation and learning. The continual exchange of ideas amongst scholars in these fields and policy scholars based on careful analyses of strengths and limitations of different approaches, and overcoming disciplinary and sub-disciplinary silos which impede communication of research results and ideas, is essential for facilitating the development of a more robust and complete theory of learning in public policy.

Notes

1. VOSviewer is a software for bibliometric mapping and clustering. It uses the visualisation of similarities (VOS) mapping technique, which creates a two-dimensional map by placing similar nodes (for example, authors, publication, or terms) closer to one another than dissimilar nodes. Additionally, a variant of modularity-based clustering is used to depict the

structure of the bibliometric network. The interactive map thus generated can be visualized within VOSviewer.

2. A node depicts a publication in this network. The size of a node indicates its link strength—the number of times it cites or is cited by another publication in this dataset. A link between two nodes implies a citation relationship. The nodes are clustered based on similarity—nodes in the same colour are more similar than nodes in different colours; nodes closer to each other are more similar than nodes farther from each other. Only publications with a link to at least one publication within this dataset are shown in the figure.

3. A node depicts an author in this network. The size of a node indicates the author's publication count in this dataset. A link between two nodes implies a co-author relationship. The nodes are clustered based on similarity—nodes in the same colour represent authors who have co-published in this dataset.

4. A node depicts a term in the publication title or abstract. The size of a node indicates the number of publications in which it is present. The thickness of a link between two nodes is indicative of the likelihood that they are both present in a publication (title or abstract). The nodes are clustered based on similarity. Nodes in the same colour and nodes closer to each other are more likely to co-occur than nodes in different colours or nodes farther apart.

5. There is also a miscellaneous cluster of works consisting of literature on learning outside these four main areas, dealing with subjects such as its role in governance, organisational learning, public administration, and social learning. The recent literature on reflexive governance is a good example of this work, in that it is a learning approach to governance (Voß and Bornemann 2011). However, like the other topics on learning in this cluster, it is focused almost exclusively on a specific problem (of transition management in sustainability) and only makes passing references to works outside that field, including those within the four main clusters highlighted above.

6. The word cloud was created using http://wordle.net. The terms are arranged alphabetically from left to right. The relative size of a term indicates its count in the dataset.

7. A node depicts a term in the publication title or abstract. The size of a node indicates the number of publications in which it is present. The thickness of a link between two nodes is indicative of the likelihood that they are both present in a publication (title or abstract). The nodes are clustered based on similarity. Nodes in the same colour and nodes closer to each other are more likely to co-occur than nodes in different colours or nodes farther apart.

8. Other strands of literature that discuss learning in public policy include studies on decentralization and policy design. In public administration, decentralisation is posited to facilitate learning by promoting experimentation. Oates, for example, argued that decentralisation in certain policy areas would promote 'laboratory federalism'. The terms included in this cluster included issues of interest in public administration—accountability, citizen, civil society, and local government—while the empirical enquiry was primarily economic policy, as indicated by the presence of terms such as cost, economic growth, economy, growth, and investment. A small cluster of the literature has also discussed learning in policy design and implementation using comparative studies of local governments in the UK.

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Learning in the European Commission's Renewable Energy Policy-Making and Climate Governance

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European directives have significant impact on member states' economy, infrastructure, available technologies, environment and society for decades to come, as businesses and citizens adapt their behaviour to the regulatory requirements. Innovative solutions and reforms to address complex problems, such as climate change, economic crises and threats to international peace and security, require political will. This points towards policymakers as central actors and their ability to act upon scientific input and past experiences through learning processes. Thus, the human factor considerably influences the outcome of policymaking, especially how policymakers approach their task of contributing to new policies or revising existing ones and how they react to external pressures. However, this process is not a 'one-shot' occasion, it rather occurs over

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a longer period of time (Radaelli 1995, 2009) and thereby offers the opportunity to learn from past successes and failures (Dunlop 2017; Kay 2017; Stone 2017) or to transfer knowledge from previous experiences to the current situation. Learning among policymakers is considered to be a relevant factor in policymaking as it can lead to self-sustaining and self-reinforcing dynamics, thereby potentially improving the quality of policies. Alternatively, it can hinder policy change as policymakers learn to better manipulate the policy process to achieve their objectives or protect national interests (Bennett and Howlett 1992; Dolowitz and Marsh 2000; Dunlop and Radaelli 2013, 2016; May 1992; Moyson et al. 2017; Radaelli and Dunlop 2013; Zito and Schout 2009).

Overall, learning is frequently regarded as facilitating factor for policy outcomes on different levels of governance. So what role does learning play in European policy change? The key question is to what extent learning, which is widely regarded as a facilitating factor, contributes to policy change. Learning can be defined as '(1) a *reflection and judgment* based on an input, experience or detection of error, which leads the individual to select a different view on (2) how things happen, i.e. the acquisition of knowledge or learning facts and (3) what course of action to take, i.e. the reflection on individual or collective experience or advise from others on such previous experiences (based on Argyris and Schön 1978; Bennett and Howlett 1992; May 1992)' (Rietig and Perkins 2018, p. 491). Consequently, policy change can either be attributed to such learning processes or other factors (Rietig and Perkins 2018).

This chapter addresses the empirical and theoretical question on what determines policy change in European Union (EU) policymaking processes. It examines if and under what conditions policymakers learn – and how this learning impacts on the policy process and on policy change. It argues that the individuals' or organisations' reflection on an input is crucial for learning to occur and that, as a consequence of little or no reflection on the input, learning is less frequent and policy change can increasingly be attributed to following national interests and 'traditional' bargaining (Elgström and Jönsson 2000). It applies the theoretical framework developed by Rietig and Perkins (2018) to examine to what extent policymakers in the European Commission reflected on new knowledge presented to them in the process of developing and negotiating the Renewable Energy Directive (RED) as a EU flagship policy reducing greenhouse gas emissions to address climate change, improve energy security and support (rural) economic development across the EU.

The analysis uses the conceptualisation by Rietig and Perkins (2018) that learning among decision-makers only occurs if these reflect upon new information provided to them through an experience or additional knowledge (experiential and factual learning), or if they, as a consequence of experiential or factual learning, change their underlying assumptions, beliefs or values and come to a different view of the situation (constructivist learning). This chapter contributes to the learning literature by emphasising the importance of 'reflection' as a pre-requisite for learning to occur and re-introducing the literature on non-learning to allow for 'benchmarking' of learning in the policy process and determining its influence on policy change.

Learning and Other Explanations for Policy Change

Learning in policymaking occurs when an individual or a group is exposed to an input and reflects upon it (Rietig and Perkins 2018). *Factual learning* refers to an increase in knowledge. The individual received new information or rearranged existing knowledge given a new context, processed the new information cognitively and added it to the knowledge base (Argyris and Schön 1978). In a policymaking context, factual learning refers to an increase in knowledge about policy instruments (for example, how market-based instruments such as emission trading work) and facts on the policy area such as technological details about the carbon performance of biofuels. It requires the individual or organisation to reflect on information provided to them either via publications, information by outside actors such as experts and other government departments, and information gained via their own fact-based research activities.

Experiential learning refers to the reflection on working experience accumulated over a certain timeframe. This occurs when individuals make an experience regarding a policy, reflect upon it and add the conclusions from the experience to their skill-sets (Rietig and Perkins 2018). A key aspect of experiential learning in the policymaking process is learning how the policymaking system works and becoming skilled at using strategies and tactics to influence policymaking. This is also referred to as 'political learning' (May 1992; Radaelli 2009). Sabatier's (1987) policy-oriented learning also falls into this category as it describes how individual policymakers learn using different tactics and strategies to manipulate the policymaking process according to their predetermined objectives.

Furthermore, most aspects of single-/double-loop learning in organizational studies (Argyris 1976; Argyris and Schön 1978) fall within the experiential learning category as it focuses on identifying and eliminating errors following the reflection on past experiences in policymaking.

If underlying beliefs change, resulting in a different view of how the individual or organisation 'sees things' (Nye 1987), *constructivist learning* occurs. Beliefs are defined as a person or organisation's views of the world and normative understanding of how things ought to be, which can mean maintaining or changing the status quo. A normative understanding of beliefs includes reflections on the importance of addressing certain policy problems and which policy instruments are deemed appropriate. Learning throughout the policy process however may or may not be reflected in the policy outcome. Learning can occur among an individual policymaker (i.e. on the *individual level*), or learning can be transferred from the individual to a collective (Gerlak and Heikkila 2011; Feindt 2010; Heikkila and Gerlak 2013) in the form of an organisation (March and Olsen 1975) once the position of, for example, a government is represented (i.e. on the *organisational level*; Rietig and Perkins 2018).

Despite the relevance of learning for policy change, it is also possible for policy change to occur without learning processes when, for various motivations and reasons, actors do not *reflect* on new information or experiences. One central reason is because actors follow external pressures to implement decisions taken elsewhere, comply with national or organisational interests, or react to political pressure. Much has been said about the importance of power in policymaking (for example, Clegg 2013; Haas 2004; Saurugger 2013), power relations between the European institutions and among states (for example, Costello and Thomson 2013; Dunlop and Radaelli 2016; Keohane and Nye 1987). Actors within the European institutions such as those chairing committee meetings have considerable power. This results in power asymmetries, which allow these actors to achieve their objectives via procedural tactics, behind-the-scene deals with counterparts in negotiations and forming coalitions to secure a voting majority (see, for example, Warntjen 2008).

Linked to power and policy entrepreneurs are lobbying, bargaining and national interests as explanations for policy change that occurs independently of learning. The lobbying literature emphasises the power of industry and vested interest groups (for example, Klüver 2013; Marshall 2012). These use various strategies to influence policymakers so that

these change their position in line with the lobbyists' interests. These include incentives in the form of future political support by important stakeholders; previous affiliations or loyalties and quid-pro-quo support for other policy proposals and can influence policymaker's willingness to adopt a position matching the lobby group's interests. This change in position could thus not be attributed to learning given that no reflection on the input occurred and the policymaker would have likely supported another position in the absence of lobbying influence.

In a similar vein, political preferences of member states in the form of national interests also play an important role. Member states lobby the European Commission and Members of the European Parliament (MEPs) in negotiations before and after a policy proposal has been published to clearly communicate their national interests in the matter (Panke 2012). They also form coalitions with other like-minded countries to improve their bargaining power (Slapin 2008) both in terms of votes and side-payments via concessions in other policy areas being negotiated in parallel or expected in the near future.

Management studies and social psychology point towards the 'nonlearning' literature. This includes no learning at all or strategies that avoid having to reflect on an input and thus initiating a learning process. In both cases, the learning process is not initiated, i.e. learning does not occur. This includes avoiding to reflect on an input, forgetting about previously acquired knowledge and reactive governing (for example, Hedberg 1981; Huber 1991; Janis and Mann 1977). This literature provides indirect links to the well-developed literature on power. Unlearning was introduced by Hedberg (1981). It is defined as 'a process through which learners discard knowledge' (Hedberg 1981, p. 18) that is considered to be obsolete and may thereby not only be unconscious, but also intentional (Huber 1991, p. 104). Yet, the term 'unlearning' suggests that the decision-maker or organisation has previously acquired the necessary knowledge but chose to ignore it or lost the capability to use it. Reasons could be that the expert in the field left the organisation or the decision-maker forgot that they dealt with a similar issue in another context and is thus not able to reflect on the previous experience.

Janis and Mann (1977) suggest that decision-makers may avoid addressing a problem using defensive avoidance. This form of psychological defence gives rise to a defective search as it interferes with information processing and is frequently connected to unconscious sources of unresolved conflict regarding a decision (Janis and Mann 1977, p. 98).

Policymakers, when confronted with a problem requiring a resolution, are usually faced with two options: either they address the problem by designing a trial solution, thereby entering a learning process, or they resort to defensive avoidance. Options are procrastination, buck passing and bolstering (Janis and Mann 1977, p. 107). In large, government-related organisations decision-makers frequently consider the option of buck passing, i.e. delegating the decision to another department or somebody below/ above them in the hierarchy of their own department to avoid liabilities for a wrong or, especially in public office, unpopular but adequate decision – or they procrastinate over the decision and hope that temporal circumstances or further developments take the decision off their shoulders (Janis and Mann 1977). An alternative option of unclear decision-making is bolstering. In this case, policymakers reach an ill-considered decision based on shared rationalisations and a collective sense of being protected against threats of failure. This is called 'group-think' (Janis 1972) and may reduce the quality of their decisions.

While the power-related literature points towards alternative explanations for policy change other than learning (i.e. no learning occurred, but a policy outcome emerged nevertheless), the 'non-learning' literature emphasises that there are hindering factors that prevent individuals or organisations from reflecting on knowledge or experience and thus to enter a learning process (Janis and Mann 1977; May 1992; Newman and Bird 2017). Both can occur during the policymaking process: actors can learn, but their learning is not transferred to the policy outcome due to for example lobbying, powerful opposing coalitions or missing majorities. Similarly, a policy outcome emerges although actors entered defensive avoidance or followed orders from higher hierarchy levels, for example from a policy entrepreneur (Mintrom 2013) who used conventional bargaining and negotiation tactics to achieve a voting majority in support of a policy proposal. Furthermore, it is also possible that individual actors learned how to better negotiate and bargain to achieve their pre-set political objectives or protect the status-quo to avoid reflection on whether new information requires reconsidering the status-quo. In conclusion, the analysis of the role of learning in policy change needs to take into account not only conventional explanations for policy change such as power, national interests, lobbying and bargaining, but also instances where decisions are avoided through procrastination, wishful thinking that the situation resolves itself, delegating the decision to others or ill-considered decisions based on groupthink. These forms of

defensive avoidance hinder policy-makers from entering into a learning process, and therefore point towards alternative explanations for policy change.

The following sections apply the theoretical framework developed by Rietig and Perkins (2018), which places the pre-requisite of 'reflection' by the individual and organisational learning agent at the heart of its analysis, to the case of negotiating the Renewable Energy Directive (RED). The RED makes for an interesting and relevant test case of learning as it results from a decade-long policy process involving various political interests spanning from the Renewable Electricity Directive of 2001 to the reform of the RED in 2014. The integration of climate change objectives into energy policy offered wide-ranging opportunities for learning among actors representing both environmental and energy security interests and thus suggests that we can expect to find various instances of learning (Nilsson 2005). This makes the Renewable Energy Directive a likely case for learning to occur.

METHODOLOGY

The primary data sources are 32 in-depth semi-structured elite interviews with the key individuals involved in the policymaking process (see Appendix 3.1). The interviewees were representatives from the European Commission (Directorate General [DG] for Environment, Directorate General/ Cabinet for Climate Action and Directorate General/ Cabinet for Energy and Transport [re-named DG/ Cabinet Energy from 2009]), environmental NGOs (ENGOs), industry lobbyists, Members of the European Parliament (MEPs) from green, liberal-democrat, conservative and social-democratic parties and their advisors, as well as representatives from relevant member states (MS) including Germany, Hungary, Italy, the Netherlands, Spain, Sweden, and the UK. The sampling was based on identifying who was involved in initiating, drafting, negotiating and deciding on the legislative proposals. The interviews were analysed using a process-tracing approach (Rohlfing 2012) that traced the extent to which learning occurred in the policy process of negotiating the RED. The data analysis was supported by the qualitative software programme NVIVO and highlighting/ colour coding functions in a comprehensive word document. The information was compared and triangulated to determine whether the 'stories' of the key actors matched. The researcher furthermore identified and interviewed other individuals who

worked closely with the previous interviewees to triangulate and confirm the interview findings. A further control measure was the validation of information from the elite interviews via document analysis.

LEARNING IN NEGOTIATING THE RENEWABLE ENERGY DIRECTIVE

Factual and Experiential Learning on the Individual Level

For learning on the individual level to occur, the accounts of policy-makers need to reflect a better understanding of policy instruments and how they can be applied (factual learning) or increased experience by being involved in the drafting and/ or negotiation process and gaining experience in negotiation strategies (individual experiential learning). Reflection can potentially result in constructivist learning via changed underlying beliefs (Rietig and Perkins 2018). Learning needs to be 'benchmarked' against the individual's experience and expertise before engaging with the new legislative proposal. Learning can be determined as a change in the status quo, the difference between the point in time when the individual began to engage with renewable energy policy and the adoption of the Directive as the final step (this could continue if the individual was also involved in implementation or reform, but is excluded from this policymaking-focused analysis). Reflection requires time (Radaelli 2009) and certain autonomy from hierarchical pressures (Janis and Mann 1977). Learning on the individual level occurred among those involved during the drafting phase of the RED in terms of increases in knowledge and experience, but less in terms of changed beliefs.

The work atmosphere for learning is crucial, which is strongly influenced by the leadership style of the individuals in management positions. There were only a limited number of individuals involved in the direct development, drafting and negotiation of the RED given that the European Commission is the only European institution with the right to make legislative proposals (Costello and Thomson 2013). The responsibility for the RED was with the Directorate General for Transport and Energy (DG TREN), which has been split up into the Directorate General on Energy (DG Energy) and the Directorate General on Transport (DG MOVE). DG TREN had a unit of 10–15 civil servants

dealing with renewable energies (RE). The RE unit consisted of policy officers who were each or in a small team responsible for aspects of the legislative proposal, the 'file', with input from other policy officers who were experts on sub-fields. Other key individuals were the rapporteurs and shadow-rapporteurs of the Environment and the Industry, Research and Energy committees in the European Parliament (Marshall 2012), and member state representatives in the Council working groups.

Individuals, who at the time of the interview had moved on to other positions, described the atmosphere in the RE Unit as constructive, friendly and supportive with a high level of autonomy, based on trust into the individual's capabilities. The colleagues were described as 'dedicated' and 'motivated', holding the belief that they were contributing to an important and normatively 'good' endeavour (Interview European Commission [EC] 3; EC 7). This can frequently be observed inside the European Commission (EC 4; ENGO 1; Koch and Lindenthal 2011). The first reason for this atmosphere was the topic area of renewable energy, with its overall positive connotation of 'doing something good for society and the environment' as opposed to potentially harmful policies. The field of renewable energy, similar to environmental and climate policy, attracts people with a 'green mindset', who care about the environment and share beliefs favouring environmental protection and mitigating climate change (EC 2; EC 3; EC 4; EC 14; Member State [MS] 8). Interviewees agreed that people working in this area were especially motivated and dedicated as they 'contributed to something 'bigger', reinforced by the idea that they are doing something good. (…) And probably it also attracts people who have this special drive' (EC 3).

The second key determinant for reflection and learning on the individual level is the leadership style of the immediate superior, in this case the Head of Unit. If the team members are not simply following orders as major reason for a lack of learning, but have a certain level of autonomy in their day-to-day work, it can have a positive influence on their motivation and dedication. In the RE unit, the atmosphere was described as 'very good. Very dynamic, we were very busy and very dedicated (…). I think we were quite enthusiastic about the whole thing. (…) [The Head of Unit] was good at motivating people' (EC 3) and 'very supportive and at a high pace' (EC 7). A key strategy was to let policy officers as experts on the different aspects of the RED speak on behalf of the European Commission in external meetings and explain the issues

under discussion. This strategy placed significant responsibility on the policy officers but also had a very motivating effect (EC 2):

> I mean it meant that at one point every week we would go into a Council working group or parliamentary committee or both to discuss texts, to look at amendments, to argue about what was right and what was wrong. Doing that on a very regular, frequent weekly basis was great learning from my perspective, but there was a whole team of us doing it, led by my Head of Unit (…) and he made sure it all went smoothly and it did, and it was also all great fun. (EC 8)

The Head of Unit had recently moved to the topic area of renewable energy after working for over a decade on other energy-related issues and had thus a limited background knowledge on renewable energy: 'I knew bits about renewables, but I didn't know the details, so for me it was a learning process as well' (EC 2). He learned important facts about renewables from his experienced policy officers who were experts in specific areas. The reliance on their expertise was very high. To understand the technical details, they had numerous meetings and discussions in a 'mini seminar' setting (EC 2). Given that the Head of Unit's knowledge of renewables was limited at the time of appointment and he had to present and negotiate the RED over the next three years, both his level of knowledge on technical details of renewables increased as did his experience by being deeply involved in the topic while carrying the main responsibility for the feasibility of the policy proposal:

> And then, like everything else, it is learning by doing at the Commission, that's the way it is, as Head of Unit you are thrown into it, you have to present eventually what you think should be done, once the Commission has made the proposal you have to present the proposal, you have to negotiate the proposal. (EC 2)

The leadership style of letting the technical experts present their part of the European Commission's proposal in the European Council working groups and allowing the policy officers high autonomy in drafting, presenting and negotiating their RED elements allowed for experiential and factual learning among policy officers to occur. Those with limited specific knowledge on their tasked area engaged deeply with the material including reading scientific studies (EC 4), reflected upon the material

to determine its usefulness for their task and adopted aspects they determined as useful, thereby adding to their base of knowledge (EC 5; EC 9; Environmental NGO [ENGO] 1; ENGO 4). In particular, the frequently unusual experience for policy officers to negotiate in the Council working groups or in the European Parliament resulted in experiential learning in terms of negotiation strategies and tactics, as well as improved understanding of the member states' positions and determination to defend national interests (EC 3). In conclusion, the members of the RE unit as key actors can be regarded as having learned (experiential and factual learning) by reflecting on the input and engaging with the issue.

Constructivist learning that goes beyond 'normal learning' (Rietig and Perkins 2018) can be identified by references to how interviewees changed their assessment of an issue and the way 'they saw things'. Here, the result is rather mixed as few of the key actors involved changed how they viewed renewable energies, neither by being presented with new evidence nor through the process of accumulating working experience in the practical aspects of policymaking. Constructivist learning was limited because the RED's objectives were already aligned with personal beliefs. This has been suggested and confirmed by the majority of key interviewees involved in the drafting and negotiation process. This may appear like selection bias among the interviewees, but can be explained with their background and central role at the heart of the policymaking process (drafting the policy documents, mobilising majorities among the member states and making use of a generally favourable policymaking environment by riding on the European Climate Package's momentum). The level of involvement and pre-existing expertise are important determinants for learning to occur within an observed time frame. When asked about their background and experience of working in the area of renewable energies, energy or environment they reported either very long working experience in the policy area and/or an academic background in the specific discipline at Master, Ph.D. or postdoctoral researcher level. Also, the interviewees' personal beliefs did not change as their close involvement in the policymaking process allowed them to pre-align the policy details of the RED with their underlying personal beliefs.

Many emphasised their beliefs by self-identifying as 'greens' or 'environmentalists' with longstanding commitments to the environment, partly motivated by the environmental movements of the 1970s and 1980s (European Parliament [EP] 3; EP 4; MS 4; MS 6; MS 8) or can be

identified as such based on their strong affinity to ecological arguments (EC 10; EC 11; EC 14; MS 5). None of these actors reported a change in their normative beliefs of how the overall policy should be designed or how the exact policy instruments with regards to renewable electricity, heating and cooling should look like (with the exception of the environment-focused coalition in the biofuels controversy, see Rietig 2018), i.e. in 'how they saw the issue' and their conclusions on the course of action to take. The reason is that any 'changes' in beliefs and therefore constructivist learning occurred prior to their involvement with the RED. It thus did not lead them to either reflect or change their underlying beliefs as their beliefs were already aligned with what their position required of them (as emphasised by EC 1; EC 3; EC 4; EC 6; EC 8).

Overall, learning did occur on the individual level. Factual learning and experiential learning happened among the policymakers involved in the RED drafting process. How much they learned depended on their previous experiences and expertise. For individual learning to occur and for the learning process to be initiated, policymakers required enough autonomy to reflect on new information and design their own trial solutions. This was facilitated by a supportive leadership style in the RE unit that further motivated already dedicated policymakers 'to go the extra mile' and to aspire to design even 'better' policies. However, this autonomy can also have negative effects if scientific knowledge is contested and if this uncertainty leads to unreflective conclusions that later on turn out to have negative impact on the environment or society as in the case of biofuels (Dunlop 2010; Rietig 2018; Sharman and Holmes 2010).

Implementing the European Commissions' Key Objective on the Organisational Level

By engaging with the topic of renewable energy for almost four decades, the European Commission accumulated wide-ranging experience. A certain but random continuity among senior civil servants also preserved this experience, which can be reflected upon when new policy proposals are designed. For example, when drafting the proposal on the use of renewables for heating and cooling, the template of the two previous directives was used (EC 1). By establishing organisational units, directorates and DGs dealing with certain issues as their main objective, institutional memory is built allowing continuous engagement with the issue

beyond changes in personnel and thus transferring experiential learning from the individual to the organisational level.

There is one belief that drives policymaking at the European Commission: it 'acts not on behalf of national or group interests, but for the EU and its citizens in general' (Sabathil et al. 2008, p. 7). Most civil servants at the European Commission share the belief of serving Europe's citizens and acting for the good of the EU with a mind-set of independence from national or particular interests, emphasising that 'we have a common interest to build a Union for the benefit of everyone. (…) We are the EU institution that wants to defend a common interest' (EC 1). This common interest is neither mirrored by representatives of the European Parliament, serving their constituency, their party and frequently particular industry interests (EP 1; EP 2; EP 4; EP 5; EP 6), nor by representatives of the member states serving national interests (including their political party's objectives) and interest groups (MS 1; MS 2; MS 3; MS 6; MS 7; MS 8). This shared belief on the organisational level is a key driver for policymaking initiatives.

The shared common interest to serve Europe remains unchanged when the European Commission engages in policymaking. This common interest is mainly understood as increased harmonisation, economic prosperity and overall sustainable economic development. The institutional objective is embedded in the organisational structure. The European Commission built-up the institutional capacity to develop proposals in the specific issue area, such as the staff members of the renewable energy unit dedicated to facilitate the uptake of renewable energies. This results in automatically self-sustaining and reinforcing dynamics towards increased harmonisation and integration, which is also described as the 'machinery of policymaking' (EC 8; EC 9; EC 12) that delivers on overall strategic objectives because it is tasked to come up with new policy proposals supporting these objectives. Even when the European Commission was met with opposition from the member states regarding specific proposals, the overall direction remained unchanged. During the harmonisation of the electricity market, they followed the strategy that 'you need to repeat the same thing, it's common sense. Sugar can move around, cars can move around, why not electricity? (…) You cannot oppose to that! You can find excuses and say 'well, we need time, it's difficult', but you cannot say no!' (EC 1). The discussion was less about the direction of the overall desirability of renewable energies, than about

the details of implementing them in the most cost-effective and efficient way. This shifted the debate from 'yes versus no' towards discussing 'how to implement the yes'.

In conclusion, most policymakers at the European Commission involved in drafting the RED shared the common belief of serving the European citizens. While there was agreement to serve the common interest as overall belief, the question of how this common interest exactly looks like was strongly debated and was the cause for disagreements between the different actors within the European Commission (for a detailed analysis on the biofuels component, see Rietig 2018; Sharman and Holmes 2010). This embedded organisational objective however also became an active policy objective within the negotiation process that went beyond the role of the European Commission as neutral facilitator.

By following this overall objective of serving the European interest of deepened integration, harmonisation and maintained economic development, the European Commission regards it a priority to propose legislation likely to be adopted with only minor changes (EC 2; EC 3; EC 6; EC 14). This means frequently finding the 'middle ground' between the Council and the European Parliament through extensive pre-negotiations to fine-tune the political feasibility of a proposal (EC 2; EC 3; EP 3). In the case of the RED, the objective of the European Commission was to 'come forward with something that has the chance of being adopted' (EC 6). The European Commission wanted to avoid distributive bargaining conflicts. Therefore, in order to get to an agreement on the national targets for the share of renewable energies, the European Commission chose the approach of extensive consultations with the member states, especially on political issues regarding the national targets for renewable energy, before formally bringing forward the policy proposal (EC 6). The unit in charge of drafting the legislative proposal within DG TREN/ Energy consulted with the Energy Commissioner Andres Piebalgs early in the process and involved other DGs, especially DG Environment in the Inter-service Consultations before formally discussing the proposal in the College of Commissioners and Council working groups (EC 2; EC 6; EC 10; EC 13).

Different ideas regarding the design and distribution of the 20% target were considered and tested for their political feasibility with the member states. Subsequently, the civil servants at the European Commission reflected on the feedback regarding what would be acceptable and

what would meet fierce opposition. One proposal tested by DG TREN/ Energy was to set targets according to the 'Green-X model' for the member states based on their technological potential and natural endowment to cost-effectively install renewable energies, such as focussing on wind in North sea regions and solar energy in Mediterranean countries (EC 2; EC 3; EC 6; MS 5; MS 6; Toke 2008). Upon being presented by the European Commission with what their individual targets for renewable energies should be, the member states refused to agree to the proposal, instead they 'rubbished the whole thing and said, 'this is crazy, your analysis is all wrong!' (…) We realised that we were getting nowhere and if we replicate this 27 times, you've got a lot of trouble. And another approach was needed' (EC 6). Subsequently, the European Commission looked for 'win-win' opportunities and alternative policy instruments to still realise the overall policy objective. In the next step the European Commission designed a proposal that was likely to provide a compromise solution and presented it to the member states to gain their support. In the case of the RED, the European Commission put together a high-level delegation consisting of the President, the Commissioner, Heads of Cabinet, Heads of Units and technical experts from DG TREN/ Energy and DG Environment visiting the member states to present the proposal, try to convince national policymakers of its feasibility for implementation and gather support (EC 1; EC 2; EC 5; EC 6).

Following the publication of the official proposal, the European Commission accompanied the negotiation process with the other institutions, especially in the Council's working groups, where representatives of the member states' Energy and Environment Departments met. The European Commission also presented the proposal in the European Parliament's Committee for Industry and Energy as well as in the Environmental Committee, where several amendments were prepared before the final vote in the Parliament (EP 1; EP 3). In particular, the negotiations in the Parliament opened up the space for industry and environmental NGOs to provide their input and amend the RED proposal via MEPs, who handed in the amendments (ENGO 1; ENGO 2; ENGO 3; EP 3). The intensive testing and pre-negotiation activities of the European Commission resulted in the national renewable energy targets remaining unchanged and an overall fairly quick adoption of the proposal, as 'everyone knew what their targets would be (…). So all the discussion on the RED was how the modalities would work, not the targets. It was extraordinary' (EC 6).

Once the European Commission published a policy proposal it has theoretically fulfilled its role and the negotiations take place between the member states and within the European Parliament. However, in practice, the European Commission continued to play a central role. The Directorate General in charge of the policy proposal had its own political interests and negotiation position beyond the official facilitating role: that of getting the policy proposal adopted with as few changes as possible in line with its own beliefs of what is best for Europe (Wonka 2008). The European Commission played a key role as advisor in the negotiations with the European Parliament and the Council via its advantage in expertise as 'you give them only as much as they need to know at the moment. (…) You of course present the things in a way that would support your position' (EC 3). The European Commission can therefore be understood as an actor in the negotiations with asymmetric powers. In the negotiations in the European Parliament and the Council working groups the Commission representatives benefitted from their high standing as experts on the issue and their formal roles as facilitators, given that 'every exchange of views we have in the Committee, it is always representatives of the Commission [who are] asked to give their input, and very clearly what the Commission says is important for the debate. Everyone is listening very closely' (EP 5). The European Commission has become very skilled at steering the negotiation process, which can be understood as experiential learning. It was also willing to engage in limited constructivist learning in terms of adapting beliefs about the exact policy instrument to protect its' underlying beliefs of advancing European Integration via an integrated electricity market.

Conclusions

Overall, learning at the individual level did occur, while the organisational level was dominated by bargaining behaviour among negotiation parties in line with the organisational objective. This contribution offered a relatively rare insight into learning among individual policymakers (see also Dunlop 2009) and highlighted the importance of benchmarking their current level of knowledge and experience against their previous expertise and experience. It both examined learning on the individual level and on the organisational level, i.e. from a collective perspective (Feindt 2010; Gerlak and Heikkila 2011; Heikkila and Gerlak 2013). The European Commission's negotiation behaviour could be

interpreted as that of a collective policy entrepreneur actively protecting its beliefs on the 'right' overall policy design by giving in on (non-essential) aspects regarding the exact policy instruments, i.e. engaging in constructivist learning on details, as long as the central objectives of serving the greater European good by acting on climate change, furthering economic development and improving energy security were protected. The example of the European Commission's strategy to pre-negotiate the individual mandatory renewable energy targets for member states so that they would add up to the overall target of 20% illustrates how those acting on behalf of the European Commission followed the institutional objective, which could be understood as the equivalent to national interest among the member states.

One crucial challenge in determining learning among policymakers in general, and on the organisational level in particular, is to differentiate learning defined as reflection on an experience, knowledge input and/ or change in underlying beliefs from negotiation tactics and bargaining behaviour that served the pursuit of political objectives (with some individual experiential learning on better 'playing politics'). On the side of the member states, no relevant change could be detected that was not explained as acting in the national interest, 'we did this in the normal manner of EU negotiations, in which every country is fighting for its own interests. And everybody knows that and you expect it' (MS 8). This results in the conclusion that taking a different position would have resulted in a loss of face in the negotiations or defeat in the final vote, such as when a member stated bargained for lower targets and attempted to water-down the national target by trying to create loopholes.

Personal relationships do matter as does the image of the negotiator as personable, trustworthy and knowledgeable (EP 1; EP 2; MS 7; MS 8). As negotiations on the international level among member states are characterised by repeated meetings over years, the negotiators form working relationships with each other that facilitate signalling on possible bargaining chips and negotiation preferences (MS 8). If negotiators trust each other they may be willing to engage in informal negotiations by exchanging their 'briefing scripts' and informing each other on which points they could move and what is absolutely crucial national/ Commission/ political party interest that may not be touched (MS 4; MS 5; MS 7; MS 8). This also happened in the case of the negotiations on the RED in the Council and in the Parliament, yet none of the involved negotiators made references to changed beliefs. One key

conclusion could be that because it was a negotiation setting, it did not help to convince the negotiator as even if the negotiator had changed their beliefs as a result of constructivist learning, they would most likely not have been able to move on the national position given that civil servant's negotiation mandates are limited and even ministers face political constraints back in their home countries (although this can also be used as bargaining chip across the two governance levels, see Putnam 1988). So, even although constructivist learning may have occurred on the individual level, it remains unlikely that this was transferred into constructivist learning on the organisational level in the form of changed negotiation positions that resulted from modified beliefs.

The analysis of the drafting and negotiation process of the RED allows detailed conclusions on when, why and under what circumstances learning did and did not occur. Overall, the empirical data confirms the theoretical framework for identifying learning and supports the hypothesis that learning predominantly occurred at the individual level in the form of factual and experiential learning, while at the organisational level bargaining, national and organisational interests remained dominant and prevented individual learning from influencing the policy outcome. In particular, at the organisational level power politics and 'normal' bargaining tactics as well as the prevalence of powerful vested interests voiced by lobbyists remained dominant. The target of 20% renewable energy by 2020 was part of a wider climate package that enjoyed strong support from the Heads of States in the European Council. The overall political consensus made it difficult for individual actors to disagree with the direction of moving towards ambitious climate mitigation. This was further supported by the progressive leadership role the EU took on within the international climate change negotiations given the weakness of the United States and other developed economies on the issue. The favourable economic climate between 2005 and 2008 also contributed to the window of opportunity allowing the RED to still ride on that 'wave' (EC 3).

Convincing others of the importance and desirability of their objective could clash with national or particular political interests. Even if individuals reflected upon another individual's persuasive proposals and changed their underlying beliefs, they may not have been able to act upon it in a coherent manner. This may lead to learning on the individual and organisational level that appears as non-existent learning as it is hindered by policy path-dependencies of decisions based on incomplete information, lock-in into policy pathways creating industries with vested interests and

resulting defensive avoidance in the struggle to remedy some of the unintended policy consequences (Janis and Mann 1977; Rietig 2018; Rietig and Perkins 2018). Limitations arise from the methodological approach of process-tracing using elite interviews. Given the interviewee's close involvement in the negotiation process and self-reporting on their learning, the limitation remains that they may be overstating their learning or influence on the negotiation process. Triangulation of interviews from different (competing) groups within the European Commission and actors outside (environmental NGOs, Member States, European Parliament) allowed to control for most of the inherent self-reporting bias. The empirical findings match with the political learning that can be linked to policy failures (May 1992; Stone 2017). Similarly, Radaelli (2009) and Koch and Lindenthal (2011) found behaviour that could be termed as strategically dealing with input to avoid deeper reflection and instead engaging in political learning or 'policy-oriented learning' (Sabatier 1987) to protect beliefs instead of adjusting them to the new input. These findings point toward the wider literature on power relations and policymaking dynamics in the EU (Costello and Thomson 2013; Keohane and Nye 1987). Overall, actors within the European Commission engaged in what could be regarded as strategically influencing the policymaking process as active protagonists with their own political interests based on normative beliefs and differing perspectives about policy priorities.

APPENDIX 3.1: LIST OF INTERVIEWS

Interviewee code	Official capacity	Organisation	Date
EC 1	Senior Policy Official DG Energy	European Commission	March 2012
EC 2	Policy Official DG Energy	European Commission	March 2012
EC 3	Policy Official DG Energy	European Commission	April 2012
EC 4	Policy Official DG Energy	European Commission	May 2012
EC 5	Senior Policy Official DG Energy	European Commission	May 2012
EC 6	Senior Policy Official Cabinet Energy	European Commission	July 2012

(continued)

Appendix 3.1   (continued)

Interviewee code	Official capacity	Organisation	Date
EC 7	Policy Official DG Energy	European Commission	July 2012
EC 8	Policy Official DG Energy	European Commission	July 2012
EC 9	Senior Policy Official DG Environment	European Commission	April 2012
EC 10	Senior Policy Official DG Environment	European Commission	April 2012
EC 11	Policy Official DG Environment	European Commission	April 2012
EC 12	Policy Official DG Environment	European Commission	May 2012
EC 13	Senior Policy Official DG Environment/ Climate Action	European Commission	June 2012
EC 14	Policy Official DG Environment/ Climate Action	European Commission	July 2012
MS 1	Senior Representative of Member State	North-Western European Member State	May 2012
MS 2	Senior Representative of Member State	Southern European Member State	May 2012
MS 3	Representative of Member State	Southern European Member State	May 2012
MS 4	Representative of Member State	North-Western European Member State	July 2012
MS 5	Senior Representative of Member State	Eastern European Member State	September 2012
MS 6	Senior Representative of Member State	North-Western European Member State	May 2013
MS 7	Representative of Member State	Eastern European Member State	May 2013
MS 8	Senior Representative of Member State	North-Western European Member State	June 2013
EP 1	Senior Official of the European Parliament	European Parliament	May 2012
EP 2	Member of the European Parliament	European Parliament	May 2012
EP 3	Member of the European Parliament	European Parliament	June 2012
EP 4	Member of the European Parliament	European Parliament	June 2012
EP 5	Member of the European Parliament	European Parliament	July 2012

Appendix 3.1   (continued)

Interviewee code	Official capacity	Organisation	Date
EP 6	Member of the European Parliament	European Parliament	September 2012
ENGO 1	Senior Representative	Major Brussels-based Environmental NGO	March 2012
ENGO 2	Senior Representative	Major Brussels-based Environmental NGO	September 2012
ENGO 3	Representative	Major Brussels-based Environmental NGO	February 2013
ENGO 4	Representative	Major Brussels-based Environmental NGO	February 2013

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Mechanisms of Policy Learning in the European Semester: Pension Reforms in Belgium

Christos Louvaris Fasois

In the field of European integration, policy learning has been mentioned in multiple works, but not always explicitly. For example in projects on facilitated coordination and stabilization policies (known as 'Open Method of Coordination' and 'European Semester' in the specialized literature) few have focused on learning per se (see, for example, López-Santana 2006; Radaelli and Dunlop 2013; Zeitlin and Vanhercke 2014). Yet, issues of knowledge production and dissemination at both the European Union (EU) and the national level have gained prominence at the aftermath of the financial and sovereign debt crises. The European Semester, the core EU fiscal and economic coordination mechanism,

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raised discussions over its capacity to foster knowledge, due to its structure and the incorporation of existing mechanisms of policy learning.

There is also interesting variation to exploit in explanations informed by learning as theoretical lens on the EU policy process. Pension reforms, which lie at the center of national budgetary policies and at the same time constitute a highly politicized matter, trigger the Semester's mechanisms that appear stricter compared to, for example, labour market policies. In addition, at the EU level pensions fall within the scope of the 'hard rules' of the Stability and Growth Pact (SGP) incorporated in the European Semester, increasing in that way the EU's legitimacy to exert pressure under the threat of sanctions.

Although there is a widespread and, broadly speaking, correct view that the Semester is primarily a pressuring force which promotes compliance, I nevertheless argue that this does not provide the whole picture. Types of learning are also present and in some occasions can account for the successful implementation of the reforms pushed by the EU. This argument leads me to claim that learning in its different forms contributes to the Semester's efficiency to an important degree. Through a detailed analysis of the Belgian case, I identify the causal pathways for the creation and dissemination of knowledge. At the same time, I argue that political actors experience external pressure or strategically adapt their agenda to the circumstances while learning is more likely to appear at the level of administrative officials and policy experts. The methodology is based on a combination of secondary literature, primary EU and national documents as well as interviews with actors at both levels. Through careful triangulation, I process-trace and chronologically reconstruct the major developments since 2011, thus identifying the Semester's domestic effects as well as its causal mechanisms. Process tracing disentangles the Semester-related factors which led to the formation of the current state of play in Belgian pensions (for details on the method, see Beach and Pedersen 2013). In the following section, I present my theoretical considerations on the different forms of learning in the European Semester while taking into consideration the analytical framework referring to the Semester's mechanisms of change. Subsequently, I continue with the analysis of the period 2011–2016, when both the center-left government of Elio Di Rupo and the center-right government of Charles Michel adopted a series of prominent reform measures. Finally, I present my conclusions and analyze the various learning mechanisms.

Theoretical Framework: Learning and the Semester's Mechanisms of Change

The research on the role and policy reactions of the actors involved in the European Semester has expanded significantly over the years. But, the task of theorizing the knowledge mechanisms of the new institutional framework has not been developed accordingly (see however Dunlop and Radaelli 2016). When focusing on the European Semester, there is an abundance of questions which are explicitly or implicitly related to the ability of policy makers and politicians to learn. For example, is the Semester capable to make national actors internalize policy preferences and beliefs about the necessity of reforms? Or, is it a coordination mechanism mainly based on (soft) coercion? Does it promote and diffuse social goals from the bottom to the top? Alternatively, is it dominated by goals of purely economic character which cannot change?

Let us start by adopting a broad understanding of knowledge as found in the definition of Paul Sabatier, and mentioned by Trein et al. (2015): 'learning is part of the broader process of policy changes by analyzing the manner in which elites from different advocacy coalitions gradually alter their belief systems over time, partially as a result of formal policy analysis and trial and error learning' (Sabatier 1988, p. 130). In that sense, policy learning mechanisms refer to any internal process which, consciously or less consciously, can change the actors' strategies, preferences or ideas. Thus, learning is a component of the Semester's mechanisms of national influence, in juxtaposition to influence mechanisms which are based on external pressure. The latter can take a multitude of forms in which coercion plays a central role in achieving member states compliance. Within the context of the European Semester these external pressure mechanisms are: fear of sanctions, reputational signaling and peer pressure, reactions of financial markets, pressure from the media and the public opinion, as well as positive or negative external financial support. In an attempt to combine the theoretical lenses of learning with the Semester's mechanisms of influence,[1] this study points to three pathways through which the involved actors could shift their beliefs on an issue. Moving from the most obvious one to the most subtle, these are: learning in the narrow sense, socialization and creative appropriation.

These mechanisms of change—referring both to external pressure and learning—must be seen as analytically distinct from the effects of the

European Semester on national policies; the mechanisms, indeed, are not the outcome. The Belgian case addresses both, because the two are separate yet inextricably linked.

To begin with, learning in the narrow sense plays a significant role in the Semester and can occur through 'a combination' of rising awareness of other MS performances and their standards together with a 'reflexive self-assessment' (or 'mirror effect') of one's own policy orientation and institutional capacities (Zeitlin 2005; Visser 2009). In a similar approach, Schmidt and Radaelli (2004) claim that the discourse at the EU level can contribute to a form of learning for national policy-makers, showing new possible paths and providing arguments for 'policy adjustment' especially in times of crisis or when facing persisting policy problems (Hemerijck and Schludi 2000). As my interviews indicate, several key-actors in the national administration (for example, members of the Belgian Committee on Ageing or of the Federal Planning Bureau) have understood their alignment with the Country Specific Recommendations (CSRs) as a confirmation sign (Vanhercke 2016, p. 11), in order to point to further pension reforms going to a similar direction—thus, understood as a case of 'mirror effect'.

But, even more specifically, the European Semester has incorporated instruments related to knowledge and which previously belonged to the Social OMC and the European Employment Strategy (EES), namely the Multilateral Surveillance Reviews (MSRs) and the Mutual Learning Programmes (MLPs). Together with other more quantitative monitoring instruments, such as the Joint Assessment Framework (JAF), the Employment Protection Monitor (EPM) and the Social Protection Performance Monitor (SPPM), the MSRs contribute to mutual learning across governments through their implementation reviews. But while the MLPs have the sole purpose of enhancing mutual knowledge across member states, the role of the MSRs is not confined to mutual learning. In fact, these latter are interlinked with several external pressure mechanisms, used as a tool of evidence-based bargaining and peer pressure apart from mutual learning. Zeitlin and Vanhercke (2014, p. 47) refer to MSRs as a devise for evidence-based bargaining with the Commission, since the amendments of the CSRs can be 'justified by reference to the results of the multilateral surveillance reviews conducted within the committees'. To show their importance in this procedure, the authors add that: 'Only issues that have been extensively discussed by member states during the multilateral surveillance process stand a chance of securing

the needed qualified majority vote within the committees'. Finally, since the early cycles of the European Semester peer reviews within the Council's various committees were used as an additional lever of peer pressure for the adoption of structural reforms.

Another mechanism which involves learning—albeit less conscious—is socialization: in this, national actors change their preferences as a result of contacts with the EU level decision-making procedures and actors. My concept of socialization corresponds to that of Vanhercke (2016) according to which actors adopt or even internalize European concepts, norms, targets and indicators not as a result of an active behavior in the search for policy solutions, but rather as a consequence of repetitive participatory action in a gradual and long-term perspective. A typical example of such a mechanism which dates before the Semester is the participation of national administrative actors in the various committees of the Council, for example the Social Protection Committee (SPC) or the Employment Committee (EMCO). Through their participation, national officials adjust their behavior to the group's methods, jargon and practices. Likewise, the annual discursive process of producing the National Reform Programme (NRP) can affect the preferences of the policymakers involved in it.

Creative appropriation is the most common mechanism of change found in the studies of European integration. Although not a form of learning stricto sensu, since cognitive effects are not always visible, creative appropriation is conceptually close to what authors such as May (1992), Bennet and Howlett (1992), Radaelli (1999) or Gilardi (2010) have described as 'political learning', referring to the use of knowledge as a means to achieve policy goals and enhance one's own status. Hence, in creative appropriation national political actors exploit the concepts, jargon and arguments of the discussions at the EU level as means to legitimize and promote their own agenda. Reminiscent of the 'leverage effect' in the OMC literature (Barbier 2005; Zeitlin 2009), creative appropriation has been observed in an array of national cases long before the creation of the European Semester, for example during the implementation of the Hartz laws in Germany or during Berlusconi's labour market reform in Italy back in 2003 (Preunkert and Zirra 2009). This behavior is not limited only to state actors but can also extend to opposition parties, social partners, the civil society as well as sub-regional actors, leading to the so-called 'democratizing destabilization effect' (Sabel and Zeitlin 2008): a way to enhance knowledge on best practices and

to improve policy standards for domestic actors but also an opportunity to hold governments accountable for their own policy choices. Creative appropriation is closely related to the 'usages of Europe' by the domestic actors (Jacquot 2008, p. 22) who understand the EU pressure on domestic policies as 'a set of opportunities' for their own political and institutional advancement as well as ideological positioning. In another case not examined here (on labour taxation) the Belgian government creatively appropriated the CSRs as a source of 'legitimizing discourse' (Schmidt 2002; Stiller 2010) for the advancement of its own political motives and the creation of a new agenda, but at the same time this had a transformative effect on their policy practices.

Pension Reforms During the European Semester

Pensions have been always seen as one of the 'immovable' objects towards any reform effort and at the same time as a difficult field to analyse when looking at the EU's influence (Vanhercke 2009). On the one hand, pensions are at the core of social policies, thus belonging to the competence of member states. On the other hand, they are inextricably linked with the sustainability of budgets and public finances. As a result, their double character has been raising multiple disagreements not only between the EU and member states but also among the various actors of the political spectrum.

In Belgium as well as in many other EU countries, pensions are a highly politicized issue (Trein et al. 2015), usually included in the general debate of reforming the social security system as a whole—along with health care expenses, unemployment benefits and family allocations. For that reason, ageing strategies in Belgium have been framed as something broader than the legal (or statutory) retirement age, aiming to raise the employment rate of older workers in the labour market. The term 'pre-pension' or 'brug-pension' refers to unemployment benefits given to those over a certain age in order to make up for their exclusion from the labour market. Likewise, the effective retirement age is the actual age at which employees exit the employment market while the legal retirement age refers to the age at which someone gains the legal right to a pension (Oberholtzer 2011).

Along general lines, there are four broad phases in the evolution of the Belgian pension reforms. Roughly speaking, the period from 1980 to 2000 saw fiscal discipline as a way to contain pension expenditure.

During the two Verhofstadt governments (1999–2007), the sustainability of pensions was closely linked with the increased participation of older people in the labour market. In the aftermath of the institutional crisis, the Di Rupo government increased the effective retirement rate and tightened the criteria for access to pre-retirement schemes. Most recently, the Michel government dealt with the statutory retirement age and accelerated the measures of the previous government (HRSquare, 30 September 2015).

The Di Rupo Government

Right after the financial crisis, the issue of reforming the pension system re-emerged on the national agenda. The number of newspaper articles during that period is indicative (see, for example, Centre Permanent pour la Citoyenneté et la Participation 2012). There is no doubt that the external pressure mechanisms were a major force at that time. Together with the wider pressure put on the welfare state, these helped politicians and policy analysts to realize the urgency of some kind of pension reform (European Commission 2010). With Belgium's entrance in the Excessive Deficit Procedure (EDP) in 2009 (see Council Recommendation No. 15754/09) culminating with the downgrading of its sovereign bond by S&P in November 2011 (*Wall Street Journal*, 26 November 2011) the new government of Elio Di Rupo rushed to stabilize the country's political situation and balance the state budget. Fiscal consolidation was an overarching priority as seen from the earlier statements of the Prime Minister: 'We respect strictly our engagements towards the European Commission. The deficit will be 2.8 per cent of GDP at the end of the year' (*Le Soir*, 19 July 2012).

But, the recommendations to increase employment and reform the pension system for its future sustainability had existed many years before the European Semester. Already from the late 1990s, many voices, including the EU, the OECD and the IMF, highlighted the fiscal character of the pension system's sustainability (Balthazar, 22 January 2014). According to the literature (for example, Barcevicius et al. 2014) the EES, the Age Working Group (AWG) of the Economic and Financial Committee as well as the Social OMC had several notable learning effects on Belgian policies before the launching of the European Semester. First and foremost, these coordination mechanisms helped to raise awareness of the pension system's future fiscal challenges, having as a most

prominent example the more comprehensive understanding of the second pillar pensions' character as this unfolded in the national debate. But, within the European Semester the CSRs gained more political prominence and wider attention, while the budgetary pressure towards Belgium helped to build-up the momentum for the adoption of specific measures. As one member of the Minister's cabinet stated at the time:

> For quite a long time, Belgian parties have been aware of the challenge of the ageing population and the alarms that were mentioned by the Federal Planning Bureau in respect to this issue were becoming louder and louder so finally the government decided to do something about it. (BE01-CAB)

The 2011 CSRs explicitly linked balanced public finances with the need for a pension reform and called for incentives to 'make work attractive' for older workers. The next year's CSRs followed the same direction, recommending the implementation of the announced measures on pre-retirement schemes and the effective retirement age (Council of the European Union 2012).

Indeed, the Di Rupo government initiated a series of decisive measures as these were presented in its coalition agreement: change of the calculation of pensions, partial harmonization of the private and public sector pensions, enhancement of the second pillar as well as creating incentives for extension of working careers (Centre Permanent pour la Citoyenneté et la Participation 2012). From its side, the Federal Planning Bureau and the Commission on Ageing confirmed in its 2012 Annual Report the positive effects of these measures over the next several years.

The law of 28 December 2011—passed only a couple of weeks after the inauguration of the new government—increased the early retirement age from 60 to 62 years of age until 2016 as well as the eligibility requirements retirement from 35 to 40 career years. In addition, it tried—although not so effectively—to harmonize these retirement preconditions between the private and public sector and increased the eligibility age and career for pre-retirement schemes for certain groups (*La Libre*, 15 February 2012). Finally, it restricted the assimilation of working periods for the calculation of pensions and improved the 'pension bonus' (already in place from 2005) for those who decided to stay longer on the labour market. The increase in the retirement age has been fully

implemented since 2016, while the increase of career years will be completed by 2018 for men and by 2028 for women.

After Belgium entered the 2009 EDP and got its sovereign bonds downgraded by Standard & Poor's, Di Rupo felt the pressure to put the country's finances back on track. Implying the existence of external pressure mechanisms, a representative of the New Flemish Alliance (N-VA) said: 'The crisis in Belgium triggered a political response to it, because indeed Di Rupo being a socialist also was urged to implement some kind of pension reform and some kind of wage moderation'. Overall, external pressure has been enhanced in the Semester as the Commission's—rather symbolic—gestures indicate: its letter of January 2012 sent to the Di Rupo government which demands the adoption of 'extra measures' (*De Redactie*, 6 January 2012) or the Council's decision of 21 June 2013 according to which Belgium was given a three-month deadline to take effective action for sustainable correction of its excessive deficit by 2013. The CSRs have framed the pensions measures as something which could ameliorate the public finances immediately and, as a result, indispensable given Belgium's situation.

In this perspective, the most notable effect of the Semester is the consolidation of a political trade-off or 'quid pro quo' mechanism, one might say, between the national reforms that need to be taken and the fiscal space that member states enjoy. How does this work exactly? The national Study Committee on Ageing (CEV) which belongs to the High Council of Finances makes macroeconomic projections for the future of pensions with the technical help of the Federal Planning Bureau. These annual projections are fed into the EU-level Ageing Report, which is prepared by the Ageing Working Group of the Economic Policy Committee. The scenarios take into consideration all the parametric changes such as population and demographics and when a new reform has officially been legislated the budgetary scenarios change as well to the better. This Ageing Report is later on incorporated into the Fiscal Sustainability Report which in turn feeds into the calculation of Medium Term Budgetary Objectives (MTOs). Through this mechanism, a pension reform can automatically send a signal of sound budgetary policies to the EU and thus give more fiscal leeway to Belgium, at least for a short period of time. This less obvious and incremental development seems the real novelty of the European Semester as regards to the 'fear of sanctions' and the reputational signaling mechanisms, since

it has a visible impact on the actors' understanding and behavior. As a Commission official stated:

> Look at the case of Belgium, pension reform is acted upon by the 'reluctant' between quotes Di Rupo government, even by that government it was acted upon, why? Because by doing pension reforms you immediately get more favorable projections of public finances and so you get more room in your budget and so whenever a recommendation is directly or indirectly linked to the SGP the pressure is on. (COM01)

As expected, the orientation of the reforms but also the way they unfolded were not welcomed by all domestic actors, who appeared deeply divided. In response to these reforms, all the major trade union confederations—the Christian CSC, the Socialist FGTB and the Liberal CGSLB—have jointly called for general strikes for the first time since 1993 (Eurofound, 4 April 2012). After several consultation rounds, they eventually managed to push for some of their own provisional measures. Then again, many perceived the government's actions as closely aligned with the Commission's recommendations. As the representative of the N-VA stated:

> But also pension reform is surely helping there (to increase employment rate of older people) and this is very important because if you look at the statistics on the ageing reports of the European Commission until 2014 for example we were one of the worst performing countries in terms of employment rate but also in terms of pension costs. (N-VA01)

Despite the gradual implementation of the announced reforms, the 2012 CSRs repeated the need for Belgium to raise its effective retirement age and curb its 'age-related' expenditure. It is worth noting that the relevant 2013 CSR was amended by the Council in order to replace a horizontal recommendation on raising the statutory retirement age with one which refers more broadly to the effective retirement age. Only in 2014 did the CSRs acknowledge that the country had made 'substantial progress' in that field. But, together with its short-term fiscal consolidation recommendations, the Commission stressed the need for a long-term vision. On March 2013, the Commissioner for Economic and Financial Affairs, Oli Rehn, stated that Belgium should focus on structural reforms, such as pensions and the employment market, in addition to measures aiming to decrease the public deficit (*Le Soir*, 8 March 2013).

As noted by many (for example, Graziano et al. 2011) EU-level recommendations are always 'filtered' through the national actors' preferences during the implementation process. Similarly, Dunlop and Radaelli (2016) argue that the perceived legitimacy is a precondition for triggering the Semester's mechanisms of change with a more hierarchical or authoritative character. Hence, these national preferences and perception of the government actors are sometimes the boundaries of the EU effects. As a socialist, Di Rupo made it clear from the start that the statutory retirement age would not be touched and that his government's measures would only focus on the effective retirement age. Referring to the Commission's pressure on his government, he stated: 'This stability isn't due to the European Commission's prescription of aggressive fiscal tightening, as imposed on Greece and Portugal, which caused ordinary people to suffer. We've perfected what I call the Belgian recipe,' (referring to a mix of fiscal consolidation with social measures). 'A lot of economists say you have to first cut the deficit dramatically, which will hurt a lot, but then it will be better. I don't subscribe to that theory at all, I think it's mumbo-jumbo' (*Wall Street Journal*, 21 January 2014). All in all, due to the pressuring circumstances, Di Rupo was urged to implement reforms for the short-term fiscal sustainability of pensions, but at the same time these rekindled the public debate and laid the foundations for the creation of reflexive bodies of policy learning as the next section describes.

The Michel Government

The change of government in Belgium coincided with the arrival of the Juncker Commission, which adopted a more flexible stance in political terms on how member states should eventually implement national reforms. The trade-off between structural measures and fiscal space existed before the Semester, but with its launch in 2011 the pattern has been further consolidated, in the sense that the actors have better internalized it. The scheme of the 'virtuous triangle'—or 'omne trium perfectum' as Juncker called it during his Investment Plan speech in November 2014—clearly indicated this new pattern. At the same time, from that year on the CSRs decreased in number and in scope, thus leaving more room for maneuver to national actors (Zeitlin and Vanhercke 2014). The 'streamlining' of the European Semester showed the Commission's intension to promote national ownership of reforms

and grant leeway to domestic actors on how to reach the jointly agreed goals. In January 2015, the Commission released its communication on 'Making the best use of flexibility within the existing rules of the SGP'. There it enumerated a list of possible 'temporary deviations' from the SGP's Medium Term Objectives. For example, as the 'investment clause' stipulated, public investments can be considered as 'structural reforms' under certain macroeconomic conditions. But even then, the Commission explicitly stated that 'the reforms must be implemented, adopted or presented in a medium-term structural reform plan which is comprehensive and detailed' (European Parliament, 18 December 2015). A striking example of the Barroso Commission's different understanding of the Semester is the stance of Herman Van Rompuy, President of the European Council at the time, who stated that 'in addition to make recommendations, the EU should be empowered to make these reforms mandatory for its member states' (Amcham, 25 June 2012). The shift is also confirmed by a Commission official: 'For the previous Commission, you had to pursue structural reforms, get your budget in order (…) this Commission sees it as dependent variables to some extent, like if you do this on this front you can do slightly less on this front and this flexibility communication is a symbol now' (COM01). All the above show clearly that the new Commission represented a change of mentality in relation to policy learning, adopting a more flexible but also politically negotiable strategy that grants space to the member states for budgetary maneuvering.

After the inauguration of the new center-right government of Charles Michel in October 2014, the alignment of its agenda with the CSRs became explicit with the letter sent to the Commission on 21 November 2014, in which the former confirmed its determination to follow the suggestions to combat early retirement and to increase the minimum retirement age. The trade-off mechanism, which was de facto unfolded during the Di Rupo government, was understood also by the new government, which took the pension reforms a step further. The existence of such a trade-off mechanism was made clear to the national political scene as well, as reflected in the narratives of some media. It is interesting, for example, that the Belgian weekly magazine, *le Vif/L'Express*, argues that the adoption of structural measures by the Michel government created a 'budgetary cushion' ('matelas budgétaire') (*le Vif/L'Express*, 9 April 2016). The 2014 CSR on pensions, which came out just a few months earlier, was more specific than its predecessors on how to proceed: it recommended reform of the early retirement system, reduction

of opportunities for early exit from the labour market and promotion of active ageing, harmonization of both the effective and statutory retirement age as well as the alignment of the retirement age with life expectancy. Even before his inauguration, Michel wanted to push for more drastic measures through 'consultations at the EU level' (*Le Soir*, 8 March 2013). As a result, in its coalition agreement the new center-right government of Belgium—tagged 'suédoise' after the colors of its parties which resemble the Swedish flag: the New Flemish Alliance (N-VA), Christian Democratic and Flemish Party (CD&V), the Open Flemish Liberals and Democrats (Open Vld) and the Reformist Movement (MR)—announced more extensive reforms. These accelerated those taken by Di Rupo, but they also took a step further by raising the statutory retirement age. In the words of the Prime Minister himself: 'It is a strong agreement, with a strong political will to introduce important social-economic reforms' (*EUobserver*, 8 October 2014). Thus, in July 2015 the Federal Chamber of Representatives passed an increase in the legal retirement age from 65 to 66 in 2026 and to 67 in 2030, a measure which prima facie seemed to be a response to the Commission's recommendations. Furthermore, the law made the calculation of the civil servants' service years stricter and fully harmonized the career years between the self-employed and salaried pensioners. Additionally, it tightened the criteria for early retirement from 2017 and abolished the pension bonus (*Le Vif/L'Express*, 8 September 2017).

Finally, the new government created several new administrative and advisory bodies in the field of pensions, designed to have a consultative and scientific function for future reforms, as a spokesperson in the Cabinet of the Federal Minister of Pensions explained. First, the National Pension Committee (NPC) is an organ composed of representatives in the sectoral level, including the employers, the employees and the self-employed, aiming in engaging into a more inclusive consultation process for any future reforms. As a supporting instrument of the NPC, the role of the Knowledge Centre is focused on giving technical assistance to the suggested pension measures. In addition, the Academic Council, which is the evolution of the national Pensions Committee 2020–2040 and to which I will refer more extensively below, is designated to give its scientific opinion. These developments marked a 'shift of mentality' according to several Belgian high level officials and were the first true measures from an administrative perspective 'to deal with the challenge of the ageing population' (BE01-CAB). As a result, the creation of such bodies enhanced the institutional framework for policy learning.

Most importantly, official institutions that promoted learning in its narrowest sense played a major role in the debate for the renewal of the Belgian pensions system. The government announced in its coalition agreement that the new measures had as a 'scientific base' the report of the national Committee for the Reform of Pensions (Accord de Gouvernement, 19 October 2014). Also known as the Vandenbroucke committee, this body was formed in April 2013 at the request of the previous Minister of Pensions, Alexander de Croo and the Minister for the Middle Class, SMEs, Self-Employed and Agriculture, Sabine Laruelle, in order to design a 'profound' reform for the long-term. Its 12 members are experts in the field and enjoy a wide consensus among social partners and political parties. The committee called for deep structural reforms which should be taken up by the next governments together with the broad involvement of the social partners and adopting a long-term perspective. Its main axis was the realization of a coherent and balanced reform, which would take into consideration both the prolonging of careers and the extension of the retirement age (Commission pour la Réforme des Pensions, 9 October 2014). Among its most prominent recommendations was the creation of a 'points system' which would connect the calculation of pensions with each person's professional income and an automatic mechanism to calculate pensions balancing the system's financial sustainability with its social adequacy. Furthermore, the committee brought forward the issue of a longer career as well as the increase of the retirement age. With regard to the statutory retirement age, the Committee avoided making precise recommendations, but only presented several scenarios in order to show the 'conditions' for its successful increase. Other suggested measures included the enhancement of the minimum pensions and the harmonization of the pensions' family dimension. Most notably, the Committee referred to the need for workers to stay longer on the labour market as a most urgent task. Finally, it referred to the restriction of pension rights for certain categories such as survivors and at the same time suggested the extension of sectoral pensions to the self-employed as well. From a technical perspective, the Vandenbroucke Committee is supported by the Federal Planning Bureau, which feeds its macroeconomic projections into the EU-level Ageing Report (Commission de Réforme des Pensions 2020–2040, June 2014). In that perspective, this body is a clear manifestation of the political will to promote learning for future pension measures. From its side, the government claimed that its policies are based on the principles and scenarios of the Pensions 2040 Committee (Accord de Gouvernement,

9 October 2014). Nevertheless, the latter's suggestions had a different character from the government's new measures. Although considerable, the Michel reforms were not able to ensure the pension system's sustainability as the Committee's report indicated; instead they focused on parametric and medium-term reforms of the Belgian pension system. Furthermore, the Pensions Committee expected stronger social dialogue and wider participation in the decision-making process. Its suggestions on life expectancy—which were aligned with the CSRs—have been included in the government's coalition agreement, but in reality this measure has yet to be implemented. Policy-makers both at the EU and national level are positive that this will be addressed in the near future.

With the creation of the Pensions Reform Committee the public debate focused more on the long-term dimension of the system. At the same time, national policy-makers took ownership of the proposed reforms, engaging in a broad debate on the system's parametric changes. Interestingly enough, not only was the committee able to work independently from the Commission's recommendations, but it eventually started to feed into the EU level its plans for the future of Belgian pensions—a proof that learning in the European Semester is a procedure that works both ways. As an official from DG ECFIN stated: 'The Vandenbroucke committee's report is far more detailed, it's very extensive, very detailed, very technical as well which really blueprints almost everything so. Much more far than we can' (COM02). This view was confirmed by an official from DG EMPL:

> The people who make up the Vandenbroucke committee are fairly big authorities and it is on their own to make their own judgments and they come from a wide political spectrum and they reached an agreement so I think they have discussed and taken into account our recommendations. But they were perfectly able to make it on their own. (COM03)

As expected, there have been open channels of communication between the national committee and the European Commission—given also that its chair, Frank Vandenbroucke is a well-respected political and academic figure both in Belgium and the EU. Tellingly, the national level recommendations were warmly accepted by the EU institutions:

> We take a lot from them as well. I mean, we have a general line of course about how pensions should be reformed in Europe, but then specifically in Belgium, I mean, we take a lot from the Vandenbroucke report to

understand what is happening, where things can be harmonized and/or improved and how the idea of linking the retirement age to life expectancy can be implemented in Belgium …We get some ideas from them, rather than the other way round. (COM01)

The pension measures of the Michel government were certainly notable developments. Nevertheless many have understood its explicit alignment with the CSRs more as political symbolism rather than a policy breakthrough and a change of mindset, since the Commission's long-term perspective has not really been adopted. The cognitive effects of the Semester continued and the new government followed and even enhanced the existing trade-off mechanism by passing reform measures in exchange for space in the fiscal projections. A Commission official described this mechanism in clear terms: 'The pension reform in Belgium is a good example of what we call a virtuous triangle, where you do structural reforms in order to get more public finance room for investment, we also advertise it as a good example. It shows a lot of good work' (COM01). From its perspective then, the Commission welcomed the efforts of the Michel government but at the same time it expected deeper structural measures, as this was shown also in the Belgian media (*Le Soir*, 13 May 2015). Having in mind the commitments of the 2014 coalition agreement at the beginning of the Michel legislature, the Commission recommended in the 2015 CSRs the completion of the pension reform by linking the statutory retirement with life expectancy. Likewise, although not included in its three concluding CSRs of 2016, the Commission and the Council repeated their request for the establishment of 'an automatic link to changes in life expectancy' in order to promote the pension system's sustainability in the medium and long-term. To underline that the issue is not closed yet, it added that these 'will continue to be monitored closely under the European Semester' (Council of the European Union 2016).

Conclusions

The empirical evidence drawn from this case reveal the existence of different forms of learning within the European Semester, which must be seen as complementary rather than mutually excluding the external pressure mechanisms, contrary to conventional wisdom. On the one hand, the budgetary criteria of the Maastricht treaty and, later on, the

SGP prompted national political elites to take up reforms towards fiscal sustainability.

On the other hand, the EES and the Social OMC, established at the end of the 1990s and the beginning of the 2000s respectively, promoted learning through the creation of reflexive instruments and networks of experts. Even at a slow pace, these processes had more than a decade to unwind their cognitive and organizational effects before their eventual incorporation in the European Semester. Since the financial and sovereign debt crises, the issue of effectively adopting reforms and keeping the annual deficit and public debt contained gained prominence in the domestic political debate.

Policy learning also became an issue, as it was seen as a vehicle which could contribute to sustainable policy solutions. During the last decade, expert groups at the EU level, such as the AWG, EMCO and the SPC, helped in framing the future challenges of and options for the Belgian pensions system. When the Di Rupo government took office, it was immediately faced with fiscal and budgetary pressures. From that perspective, it did not have much choice but to pass several marginal measures in exchange for better macroeconomic projections on the annual deficit and for more fiscal flexibility. External pressure mechanisms such as the reputational concerns and pressure of the financial markets were put in place first and foremost. However, the government also set the foundations for policy learning in the narrow sense through the creation of the Vandenbroucke Committee and by giving its mandate to set up a plan for the system's long-term sustainability. This development was also welcomed by the European Commission, which reduced its pressure mechanisms once Belgium seemingly took ownership of the suggested reforms. The next government—that of Charles Michel—explicitly announced the alignment of its policies with the findings of the national experts committee, thus being a successful example of knowledge dissemination from the administrative or epistemic level to the political one. Although this is not entirely the case, since the government did not fully implement the Vandenbroucke committee's programme, it was a step towards the right direction. Most notably, the European Commission officials admitted that such reflexive mechanisms of knowledge benefited governance at both levels.

Lastly, although a most common mechanism of Europeanization, creative appropriation was not present in the case of pensions, since both Federal governments and the Belgian electorates were aware of the

necessity of fiscal reforms, so there was no need for the former to legitimize their political agenda through the adoption of EU-level notions. Since the subject of pensions is closely embedded in the national tradition and historical specificities, one has to be prudent on the generalisability of these findings. For example, Belgium is a traditionally Europhile country while its political tradition is based on consensus building; these two factors can be distinct characteristics in the advancement of the multiple forms of policy learning, so it remains to be seen which countries and policy fields could be receptive to knowledge. Based on the chapter's findings, one could argue that in Eurosceptic countries the chances of EU-induced policy learning at the national level would be smaller. While recalling the current deficit of empirical studies, further research on the various socio-economic reforms in the EU member states would be of great value for the enrichment of the existing theoretical frameworks.

NOTE

1. The theoretical framework referring to the Semester's mechanisms of influence has drawn substantially from the one of Zeitlin (2009) referring to the effects of the Open Method of Coordination.

APPENDIX 4.1: LIST OF INTERVIEWS

Interviewee code	Official capacity	Organisation	Date
BE01-CAB	Senior Policy Official Cabinet of the Pensions Minister	Belgian Government	May 2016
COM01	Official Representation	European Commission	May 2016
COM02	Senior Official DG ECFIN	European Commission	May 2016
COM03	Senior Official DG EMPL	European Commission	May 2016
N-VA01	Representative of the N-VA		July 2016

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Individual Learning Behaviour in Collaborative Networks

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This chapter examines the conditions under which individuals are likely to engage with other participants in learning activities during collaborative processes of 'innovation' in the public sector. Learning is in this study understood as a behavioural activity of a single individual to get a better understanding of another person's point of view, whereas innovation is interpreted as, 'creative search processes used to develop and realise new ideas and solutions that radically transform the way in which we are imagining and doing things in the public sector' (Ansell and Torfing 2014, p. 4).

In theory, collaborations, and in particular learning activities among participants of collaborations, are expected to boost innovation, as more stakeholders and thus more knowledge, information and experiences are incorporated into policy-making processes (Ansell and Torfing 2014, p. 10). Yet, recent studies show that in practice not all individuals have the same propensity to engage with others in learning practices during

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innovation processes; thereby undermining the innovative capacity of collaborations (Keast and Waterhouse 2014, p. 156). Hence, we address the following research question: Why are individuals more likely to engage in learning practices with some participants and not, or to a lesser extent, with others during collaborative processes of innovation?

So far, not many studies have explicitly tackled this research question (Ansell and Torfing 2014, pp. 238–239). Instead, scholars have mainly used the case study method to look at aspects of group-learning in collaborative processes of innovation (for example, Bressers 2014; Montin et al. 2014; Waldorff et al. 2014). Within these group-level analyses, 'learning' is conceptualized as an emergent property of the collective, instead of an accumulation of dyadic learning activities between individuals in the collaboration. As such, the collaborative innovation literature has offered explanations for how (an absence of) learning in collaborations affects group-level outcomes and results (in terms of goal achievement, public value, etc.), but has failed in explaining the differences in learning manifestations *between* individuals in collaborations (Stevens and Verhoest 2016, p. 7).

This lack of scholarly attention to the learning activities of individuals in collaborations is striking. Most importantly, it means that we have little knowledge about what explains emergent learning interaction patterns between individuals in collaborative innovation processes, how these learning interaction patterns impact the development and realization of public sector innovations, and how managers can facilitate individual learning interactions to foster the development of innovations in collaborations.

To properly understand the value of 'collaborations' as vehicles for the promotion of innovations in the public sector, we need to further explore what determines that individuals engage in, or refrain from, practices of learning, with other individuals in collaborative innovation processes. From thereon, recommendations can be drafted about how learning interactions in collaborations can be accommodated through network management.

Therefore, to contribute to the collaborative innovation literature, this chapter examines the learning interactions between twelve civil servants (hereafter referred to as 'representatives') of different public sector organizations within a Flemish administrative network regarding the development of the Flemish Sustainable Spatial Planning Plan (FSSPP). The radical change envisioned by the FSSPP means it can be regarded as a deliberate collaborative policy innovation process.

To make inferences about the learning interactions among these representatives, the statistical network methodology of Exponential Random Graph Modelling (ERGM) is used. Up and until now, ERGMs have not been frequently applied in public administration literature or governance studies (Stevens and Verhoest 2016). The methodology has a longer tradition in the fields of conflict management and peace studies (Cranmer et al. 2012), disease studies (Rolls et al. 2013), and neurosciences (Teleford et al. 2011).

Specifically, ERGM is a methodology that aims to explain tie-formation (Goodreau 2007). In laymen's terms, this means that the methodology is capable of drawing inferential conclusions about why individuals have the tendency to connect (for example learning) with some people and not with others in collaborations. This outcome variable (i.e. tendency to connect or not), and thereby the overall purpose of the methodological tool, thus makes the ERGM-methodology well-equipped for exploring and analysing the individual learning dynamics in the administrative network.

We continue as follows. First, we discuss how the concept of learning is perceived in this study. Then, the theoretical expectations are presented. Subsequently, the case, data, and chosen methodology are reviewed. In the results section, we present the findings of the ERGM-analyses. The chapter ends by reflecting on the main observations that can be drawn from this study with regard to learning activities between individuals in collaborations and possible management strategies which can help to facilitate these learning interactions.

## Learning as a Specific Form of Actor Behaviour

For this study, learning is understood as: a specific form of actor behaviour. This definition enables us to examine how actors behave differently in relation to one another. Analytically, actor learning behaviour is regarded as distinctive from other, more *self-referential*, forms of actor behaviour, such as avoidance, defiance or manipulation (Oliver 1991, p. 151). We anticipate 'learning actors' have a more positive attitude towards a trust-based circulation and cross-fertilization of creative ideas across organizational boundaries and to be more open to the formation of joint ownership and responsibility for the selection and implementation of innovative policy solutions (Sørensen and Torfing 2011).

Scholars belonging to the learning- and psycholinguistic sciences have done more research on how 'learning actors' behave in collaborations. Van den Bossche et al. (2011, p. 298), for example, developed, tested and validated a measurement scale that captures 'learning behaviour' in collaborative work environments as a distinctive analytical term. In their article, Van den Bossche et al. (2011) ascribe nine different behavioural manifestations, clustered into three components, to the concept of 'learning behaviour'.

First of all, they argue that 'learning actors', '(1) listen carefully to the contributions of others in discussions and deliberations, and (2) ask questions of clarification if something is unclear about the frames of reference of other participants in the collaboration.' They regard this cluster of behavioural manifestations as the socio-cognitive behaviour[1] of 'construction' (2011, p. 287). This sort of socio-cognitive behaviour helps individuals in collaborations to get an understanding of each other's ways of looking at the problem situation.

The second cluster of behavioural learning manifestations is considered as the socio-cognitive behaviour of 'co-construction'. This entails that learning actors, '(3) draw conclusions from the ideas that are being discussed, (4) elaborate on each other's information and ideas, and (5) complement their initial frame of reference with information and ideas that follow from the interactions with the other actors in the collaborative arrangement'.

However, it is not enough that actors merely gain an understanding of each other's way of looking at a problem situation and, through dialogue and reflection, refine their own frames of reference, if a group wants to generate innovative policy solutions (Alpay et al. 1998). According to Van den Bossche et al. (2011, p. 287), discrepancies in understanding are only likely to be overcome if the divergence in meaning leads to deep-level processing and contestation of the diverse information and viewpoints among participants in a collaboration.

This requires that 'learning actors', '(6) share the relevant information and ideas they have, (7) handle differences of opinions by addressing them directly, (8) verify opinions and ideas of other stakeholders by asking them critical questions, and (9) act upon comments of other stakeholders on their own perceptions and ideas.' These behaviour manifestations combined are by Van den Bossche et al. (2011, p. 298) understood as the socio-cognitive behaviour of 'constructive conflict', and
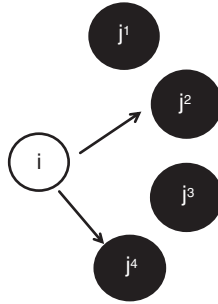
Fig. 5.1 Learning activities of representative i with some possible representatives j (j^2 and j^4), but not with others (j^1 and j^3)

account for the third cluster of behavioural manifestations that makes the concept of 'learning behaviour' distinctive from other forms of actor behaviour.

In this study, an adapted version (see Table 5.1) of the scale of Van den Bossche et al. (2011) is used to ask representatives of the organisations that participated in the collaborative process for the development of the FSSPP about who of the other representatives in the collaboration behaved in the interactions with them as 'learning actors'. In this way, we are able to gain a notion from who (i.e. all 'other' possible representatives j) each of the representatives i tried to learn (Fig. 5.1). The representatives were not asked to indicate in relation to whom they showed learning behaviour, to avoid that a 'positive' self-reporting would error the results.

In the next sections, we discuss theoretical arguments which are tested with the ERGM methodology to explain why a certain representative i is more likely to show (signs of) learning behaviour in relation to some representatives j than others in the collaborative innovation process.

Advocacy Coalition Framework (ACF) and Belief Homophily

Central to Sabatier and Jenkins-Smith's (1993) ACF theory is Herbert Simon's (1955) notion of bounded rationality; which assumes that individuals are cognitively limited in processing all information they

encounter in decision-making processes. Due to these cognitive limitations, individuals use shortcuts, or heuristics, to simplify and filter the incoming information. According to Calanni et al. (2014, p. 903), 'they do this by filtering the incoming information based on how it lines up with their own beliefs and precognitions, so as to reduce the mental discomfort (also referred to as 'cognitive dissonance' [Festinger 1957]) new and often discordant information create'.

As such, the ACF asserts that individuals have the tendency to focus on opinions and information that confirm their pre-existing expectations and beliefs rather than insights that contradict these (Weible and Sabatier 2005). Hence, the first hypothesis of this study is that in collaborative processes of innovation, representatives of organizations will show more learning behaviour towards representatives of organizations who hold rather similar views and beliefs (i.e. *belief homophily*).

Social Capital Theory (SCT) and Trust

The SCT identifies 'trust' as an influential determinant for starting, maintaining or terminating (micro-level) relationships with other individuals (Agranoff and McGuire 2001; Lubell 2007). Trust is a relational concept (Levi and Stoker 2000) and can be understood as a subjective interpretation of a *trustor* that a *trustee* has a commitment to act in the best interest of the trustor on the basis of moral values (i.e. values that align incentives, a shared definition and value of promise keeping, and a general concern for the welfare of the truster) and competence (i.e. trustworthy actors have the aptitude to act in a trustworthy fashion).

According to Ferguson and Stoutland (1999, p. 44), trust ensures that network members do not betray or exploit each other, but instead show collegiality in their interactions. The latter makes a trustor less vulnerable in inter-organizational collaborations, as the trustor knows upfront that the trustee will show little self-maximizing behaviour in relation to her or him (Calanni et al. 2014, p. 905). Given these insights from the SCT-framework, the second hypothesis of this study is that in collaborative processes of innovation, representatives of organizations will show more learning behaviour towards other representatives of organizations whom they trust.

Tie-Interdependence Effects

In collaborations, individual behaviour is also influenced by the very presence or absence of relationships among other participants, and their behaviours, in the collaboration (Lubell et al. 2012). These influences, which are structural effects inherent to the collaboration itself, are in the social network analysis literature understood as 'tie-interdependence effects'. In this study, three tie-interdependence effects are included: (1) outdegree, (2) reciprocity, and (3) transitivity.

Outdegree

Individual learning behaviour is not always apparent in collaborative policy innovation processes. In fact, earlier studies in the collaborative innovation literature have noted that individuals may experience quite some discomfort in participating, socializing and learning in innovation processes (Bason 2014, p. 222). Individuals do often not know exactly what to expect. The little certainty they have in the development-phase is that the innovation is meant to be a game-changer and radically alter the way in which a policy problem is addressed and services, competences and budgets are organized and distributed among the multitude of organizations. Hence, individuals can be very anxious and hesitant during collaborative innovation processes to engage in interactions with network alters (Stevens and Verhoest 2016).

Following these considerations, it is expected that the basic tendency of representatives to show signs of learning behaviour towards others representatives in collaborative innovation arrangements is relatively *low*. Yet, representatives that intrinsically (i.e. by nature) connect more easily with other representatives are more likely to possess many outgoing ties and are, as such, better able to acquire (and influence) knowledge and information in collaborative innovation processes. To test for this hypothesis, we included the tie-interdependence effect of *outdegree* in the ERGM analysis, as it represents the basic tendency of individuals to have ties at all, and in a decision-theoretic approach, its parameter could be regarded as the balance of the benefits and costs of an arbitrary[2] tie (Snijders et al. 2010, p. 10).

Reciprocity

The concept of *reciprocity* determines whether individuals forge dyadic learning relationships (Lee et al. 2012, pp. 554–555). In this study,

reciprocity entails individuals who *receive* information, advice or knowledge through (learning) activities return the favour to the sender in equivalent form.

The collaborative (policy) innovation literature suggests that *learning actors* have a positive attitude towards a trust-based circulation and cross-fertilization of creative ideas across organizational boundaries, sectorial borders or even levels of government (Sørensen and Torfing 2011). Further, collaborative innovation scholars (for example, Ansell and Torfing 2014, p. 11) have argued that, 'intense learning interaction between individuals holding different perspectives or knowledge can generate new insights and strengthen the sense of possibility for establishing a (policy) innovation.' Hence, the reciprocity parameter will reveal to what extent pairs of individuals had the *intention* to learn from each other's points of view in the collaboration and, as such, contribute to the development of new and creative policy solutions.

The expectation is that when an individual decides to learn from another participant, most of the time the learning activity will (over time) turn into a dyadic activity. There are two interrelated reasons for this. First of all, increased discussions on each other's problem perceptions, objectives, and interests allow individuals to become more acquainted with both their intentions in the collaboration (Koppenjan and Klijn 2004, p. 127). Such an increased awareness thus makes it easier to develop a modus vivendi for dealing with their differences in discussions on a policy innovation. Second, a mutual (learning) exchange relationship helps establish practical guidelines to expand social clustering by creating a 'shadow of the future'[3] in which defection by one individual can be punished by future defection (Axelrod 1984), thus enabling credible commitments to develop and sustain (Lee et al. 2012, pp. 554–555).

Transitivity

The third tie-interdependence term is the *transitivity* effect. Transitivity is within the social network analysis literature better known as the 'friends of friends become friends effect' or in graph-theoretic terminology: two-paths tend to be, or to become, closed. Within dialogue and learning situations, like processes of collaborative innovation, the concept of *transitivity* can best be interpreted as the tendency of an individual to learn from persons whose 'value' to learn from has been scrutinized by others from who the individual in question already is
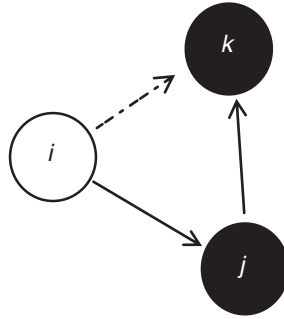
Fig. 5.2 Transitive learning relationship of actor i

learning. In the case of Fig. 5.2, this would imply that person i forges a learning tie with person k, because person j from who person i already is learning, has positively scrutinized the learning value of person k.

There are various reasons why an individual would forge a transitive learning relationship. First of all, it allows an individual to increase the amount of knowledge it (already) obtained through dialogues with other participants in the collaboration. Second, and perhaps most important, transitive learning relationships enable the formation of 'learning alliances' in collaborative innovation networks. With 'learning alliances', we mean a social clustering of actors that together engage in creative search processes to develop comprehensive policy innovations for the targeted policy problem. In this sense, the transitivity effect can be regarded as the most basic level of a tightly clustered network (Lee et al. 2012, p. 556). Hence, for the analyses, it is expected that when a representative is motivated to innovate with other representatives (and their organizations) involved, it will forge transitive learning relationships.

CONTROL VARIABLES

In the analyses, six control variables are included to not invalidate the explanatory power of the *learning tie-formation* hypotheses. Specifically, the study controls for the position of the chairman in the collaborative network, the different types of the representatives' organizations (i.e. agencies or departments), whether each representative found the activities of the collaborative process meaningful, whether the representatives had support from their minister, and the power balance between

representatives in the collaborative process on the basis of the perceived necessity of the involvement of a representative's organization by each of the other participants. The collaborative process under study has a longer tradition than the episode which is analysed. Some of the representatives were already for a longer time involved. Therefore, in the analyses, the number of years each representative was a part of the collaboration is also controlled for.

THE CASE

We now enter the empirical case examining the learning interactions in a Flemish administrative network between twelve representatives from different departmental organizations and agencies. These departmental organizations and agencies belonged to different policy sectors as a means to capture the cross-cutting nature of spatial planning policies. The collaborative network can be regarded as a top–down mandated administrative network, which was allowed by the political leaders to develop a radical new policy strategy that would be better able to tackle problem issues within the field of spatial planning, like accessibility of infrastructure, cultural heritage preservation, social and economic cohesion, sustainable development, etc.

There was some pressure from 'above' in the hierarchy to learn, as the policymakers expected a long-list of intertwined policy strategies from the involved network members. The only way to achieve intertwined policy solutions, was if the network members were open and willing to learn from the transformative ideas and solutions of network alters, and through this social interaction update their own personal beliefs regarding the relevant policy problems and possible solutions.

The administrative network was already established in 2011—but this study specifically zooms in on an 'innovation episode' between December 2015 and February 2016. During this episode, the members of the administrative network deliberately tried, during general meetings and in bilateral exchanges outside the general meetings, to develop a new Flemish Sustainable Spatial Planning Policy (FSSPP). The aim of the members of the collaboration was not to generate more or less the same kind of policy solutions, but rather about changing the form, content, and repertoire of policy actions, and even transforming the underlying problem understanding, objectives and program theory of the conventional governmental strategies (i.e. a radical transformation). This aim

aligns with what Sørensen and Torfing (2011) regard as an innovative policy change. For that reason, we perceive the aim of this process in the administrative network as a collaborative policy innovation process.

Methodology

The data collection proceeded in two steps. First, the representatives were asked to fill out a survey with standardized questions about the interactive dynamics within the FSSPP network. Second, the respondents were interviewed to ask follow-up questions or questions of clarification about their responses to the standardized survey questions (Dawson 2002). All twelve members were surveyed and interviewed, which means that this study has a response rate of hundred percent.

Table 5.1 provides an overview of the standardized questions (with the possible answer categories) of the survey. Furthermore, it is indicated—if, possible and necessary—for each question on which (validated scales of) earlier studies the operationalisations are based. The standardized survey questions were pretested by civil servants who were familiar with the administrative network and the dynamics of the policy sector of spatial planning. This pretesting let, for example, to a withdrawal of two survey questions about the two other dimensions of the trust variable of Mayer and Davis (1999), i.e. ability- and integrity-based trust, as these questions were regarded as being too personal and too sensitive.

In several of the questions, the phrase 'list up to five representatives from within the network' is used. Such a phrase makes the interview question a so-called 'name-generator network question' (Lubell et al. 2014, p. 12). Name-generating survey questions help to minimize the burden for respondents to give answers to questions about (the behaviour of) their network alters (Marin and Hampton 2007).

To elucidate, in the survey respondents were not only asked about the learning behaviour of network alters in relation to them (i.e. dependent variable), but also about other aspects of the collaboration and the contribution of every network alter therein (for example issues of trust, belief homophily, etc.). Hence, a survey about the composition, dynamics, and interrelations among actors in a collaboration can easily become a time-consuming activity. As such, a name-generating question, which compels an interviewee to only name a maximum number of network alters (though, the respondent is allowed to name less network alters),

Table 5.1 Standardized interview questions

Concept	Standardized question	Inspired by the work of
DV: Individual learning behaviour (3 socio-cognitive behaviours) *Construction:* *Co-construction:* *Constructive conflict* *On the basis of the responses to these questions the variables of outdegree, reciprocity and transitivity are also constructed*	*Could you please list up to five representatives who most frequently;* *… asked questions of clarification if something you said was unclear to them;* *…. elaborated on the information and ideas you exchanged;* *… shared the relevant information and ideas they have?[a]*	Van den Bossche et al. (2011)
H1: Belief homophily	*Could you please list the representatives who had rather similar beliefs about the problem situation and possible ways to tame it?*	Calanni et al. (2014, 910)
H2: Benevolence-based trust	*Could you please list up to five representatives who did go out of their way to bring the collaboration to a good end?*	Mayer and Davis (1999)
C1: Support from the minister	*On a scale from 1 ("totally not agree") to 10 ("totally agree") could you please indicate to what extent the development of the FSSPP was a top-priority for your minister?*	–
C2: Type of organization	*Do you work for a departmental organization or an agency?*	
C3: Chairman	*Who was the chairman of the collaboration?*	–
C4: Power balance in the network	*Could you please list up to five organizations whose involvement you considered as 'very necessary' to get a hold on the policy problem?*	Scharpf (1978)
C5: Years representative	*For how many years have you been a representative for your organization in this network?*	–
C6: Personal meaningfulness	*On a scale from ("not so much") to 10 ("very much"), could you please indicate to what extent you expect that this collaboration in the field of spatial planning will eventual make it easier for you to execute your daily administrative work?*	Tummers (2012)

[a]For the analyses, the adjacency matrix of the answers to these three questions was transposed, to ensure that the rows of the adjacency matrix represent the behavioural action of the sender and the columns indicate who received the behavioural activity.

helps to reduce the survey time and thereby creates 'extra time' to ask more survey questions (Marin and Hampton 2007, p. 5).

Yet, apart from 'minimizing the response-burden reasons', there is another, more deliberate, reason—especially, for the dependent variable—why for this study was decided to use such a name-generating technique for collecting data. Namely, the learning literature suggests that it is extremely difficult for both scholars as well as respondents, to observe and pinpoint 'learning' or 'learning behaviour' in practice (*therefore* Van den Bossche et al. 2011 inter alia focus on 'learning behaviour' instead of the cognitive process of learning). A person can, for example, ask questions of clarification but this does not have to entail that this person really tries to 'learn' from the other person he or she engages with.

Therefore, to ensure that the identified 'tie-formations' in the analyses really represent behavioural learning manifestations instead of ordinary interactions, the respondents were asked to indicate their most *substantive* learning ties (i.e. up to 5 network alters), and distinguish these from other, more 'weak', (learning) ties (Granovetter 1973). Hence, a tie in this research is specifically understood as 'a *substantive* behavioural effort of a representative to learn from another representative by showing socio-cognitive behavioural signs of construction, co-construction and/or constructive conflict in its interactions towards this other representative.'

Eventually, the survey and additional information from the follow-up interviews were coded and stored the data in a CSV-Excel file. Subsequently, the CSV-Excel file was used in the statistical program of *R* to perform the ERGM analyses. The results of the analyses are presented in the next sections.

Results

In this results section, for each dimension of the individual learning behaviour variable, a model is presented which proved to be best in capturing the emergent socio-cognitive behavioural interaction patterns in the FSSPP network. These models were selected on the basis of a specific analysis and model fit strategy that is commonly used in ERGM studies (Goodreau 2007). In some of the presented models, not all predictor variables are included, as models including these factors did not comply with the model selection requirements. Other predictor variables, like the in-degree popularity effect, were included in some of the models to

produce a better model fit. For a more detailed account of the analyses, research decisions and model selections for this study, as well as the replication data, please go to the chapter's Harvard Dataverse (Stevens 2017): https://doi.org/10.7910/dvn/mtelu8.

Factors Influencing the Socio-Cognitive Behaviour of 'Construction'

Table 5.2 presents the parameter estimates, standard errors and p-values of the model that best *fits* the data regarding the socio-cognitive behaviour of 'construction'. It turns out that tie-formation, in terms of asking questions of clarification to another representative, is (well) explained by the following significant factors: reciprocity, in-degree popularity, chairman, and trust. At the level of $p = 0.1$, the parameter of out-degree is also significant. The parameter estimates (i.e. the thetas) of the model are presented in log-odds. On the basis of these parameter estimates the odds ratio for each of the significant variables can be calculated by using the formula $e^{(\log-\text{odds})} = $ odds ratio.

The odds ratio of the variable of 'reciprocity' equals $e^{1.2951} = 3.65$. As this value is above the 1, the odds ratio tells us that within the FSSPP network, representatives were eager to ask questions of clarification

Table 5.2 Results of ERGM analysis on the dimension of 'construction'

	θ	(se)	p value
Independent variables			
Reciprocity	1.2951	0.6437	0.04643*
Out-degree ($\alpha = 0.7$)	−0.3864	0.2247	0.08804
Transitivity	0.1517	0.1201	0.20923
In-degree popularity	−2.6987	1.0632	0.01239*
Belief homophily	0.1393	0.5012	0.78156
Trust	1.5158	0.5681	0.00867**
Control variables			
Years representative	0.1796	0.1144	0.11912
Personal meaningfulness	–	–	–
Top-priority Minister	–	–	–
Chairman	−4.5929	2.0884	0.02974*
Type of organization	–	–	–
Actor importance	–	–	–
Goodness of fit statistics	LL = −61.43734, df = 10, AIC = 142.9, BIC = 171.7		

*$p < 0.05$
**$p < 0.01$

about the contribution of a network alter, if this network alter showed a similar kind of learning behaviour in relation to the network ego.

The variable of in-degree popularity has a negative theta. As Snijders et al. (2010, p. 48) explain, 'if the parameter estimate of this effect is positive, individuals with a higher in-degree are more attractive for others to send a tie to'. In the analysis, the opposite is the case; which means that at a certain point popular representatives, in terms of receiving many questions of clarification by many different actors, are less attractive to send an outgoing learning tie to. This suggests that in the FSSPP network at a certain point a saturation effect occurs to the number of clarification questions a representative receives from other representatives involved. Or stated differently, there is a point where all aspects of the contribution of a representative are fully understood by the other representatives in the network due to the number of clarification questions a representative already received. When this is the case the network member is less likely to receive more questions of clarification.

The odds ratio of the variable of 'chairman' equals $e^{(-4.5929)} = 0.01$. In the analysis, the base of this variable was set at 1—which means that the 'chairman' was used a reference category to compare the actor learning behaviour of ordinary representatives in the network to. Hence, the odds ratio shows that the odds of a chairman asking questions of clarification towards another representative in the network compared to not asking questions of clarification are $1/e^{(-4.5929)} = 98.78$ times more than for an ordinary representative in the collaboration.

Lastly, the variable of 'trust' has an odds ratio of $e^{(1.5158)} = 4.55$. So, the analysis shows that if a representative experiences another representative as being trustworthy, the change in the odds of asking questions of clarification towards this other representative (rather than not asking questions of clarification) is 4.55. This reveals that in the FSSPP network representatives were more likely to ask another representative questions of clarification if he or she believed that the other representative would go out of his or her way to bring the collaboration to a good end.

Factors Influencing the Socio-Cognitive Behaviour of 'Co-construction'

Table 5.3 presents the parameter estimates, standard errors and p-values of the model that best *fits* the data regarding the emergent socio-cognitive behavioural interaction patterns of 'co-construction' in the FSSPP

Table 5.3 Results of ERGM analysis on the dimension of 'co-construction'

	θ	(se)	p value
Independent variables			
Reciprocity	−1.93497	0.90238	0.03396*
Out-degree ($\alpha = 0.7$)	–	–	–
Transitivity	−0.39381	0.28574	0.17062
Belief homophily	–	–	–
Trust	–	–	–
Control variables			
Years representative in network	0.46670	0.18594	0.01336*
Personal meaningfulness	0.34327	0.15296	0.02659*
Top-priority Minister	0.06834	0.11448	0.55162
Chairman	−0.82605	0.90887	0.36518
Type of organization	−0.67407	0.55771	0.22909
Actor importance	–	–	–
Goodness of fit statistics	LL = −67.38364, df = 8, AIC = 150.8, BIC = 173.8		

*$p < 0.05$

network. Three significant parameters seem to explain for why a representative in the FSSPP network elaborates more on the information and ideas of some representatives in the collaboration, and not, or to a lesser extent, on the information and ideas of others.

First of all, the variable of reciprocity comes up as a significant factor. The odds ratio of the variable equals $e^{(-1.93497)} = 0.144$. As this value is below the 1, the odds ratio indicates that within the FSSPP network, representatives were not very willing to build on a network alter's information and ideas, if this network alter showed such a kind of behaviour towards the representative in question. This finding suggests that deep-level processes of reflection between pairs of representatives in the FSSPP network, by building on each other's information and ideas, was relatively rare.

A second significant variable is the number of years a representative has been a member of the FSSPP network. The odds ratio equals $e^{0.46670} = 1.595$; which means that as this variable increase by one unit (i.e. a year), the change in odds of elaborating on the information and ideas of another representative in the network (rather than not elaborating) is 1.595. In short, the longer a representative is a member of the network, the higher the likelihood in odds that this representative elaborates on the information and ideas provided by another representative in the collaboration. Perhaps, network members that have been for

a longer time part of the network, are more accustomed to the institutional regime of the network, and therewith better able to adapt their behaviours to the expected (and existing) norms and values for learning and collaboration.

Lastly, the variable of personal meaningfulness proves to be a significant parameter. It has an odds ratio of $e^{0.34327} = 1.410$. The odds ratio indicates that the more a representative believes that the collaboration is beneficial for its daily administrative routines, the higher the likelihood in odds that he or she will elaborate on the information and ideas of network alters in the collaborative innovation arrangement.

Factors Influencing the Socio-Cognitive Behaviour of 'Constructive Conflict'

The final model of this research focusses on the emergent interaction patterns in the FSSPP network regarding the socio-cognitive behaviour of 'constructive conflict'. The respondents were asked to indicate who of the other representatives in the network were most open in giving information and ideas to them. Table 5.4 presents the parameter estimates, standard errors and p-values of the model which best *fits* this relational data.

Table 5.4 Results of ERGM analysis on the dimension of 'constructive conflict'

	θ	(se)	p value
Independent variables			
Reciprocity	1.39863	0.62276	0.0265*
Out-degree ($\alpha = 0.7$)	−0.04548	0.78312	0.9538
Transitivity	–	–	–
Belief homophily	1.29691	0.50046	0.0107*
Trust	0.19043	0.49341	0.7002
Control variables			
Years representative in network	0.19129	0.10815	0.0794
Personal meaningfulness	–	–	–
Top-priority Minister	–	–	–
Chairman	−0.70345	0.60796	0.2495
Type of organization	–	–	–
Actor importance	0.89136	0.44464	0.0472*
Goodness of fit	LL = −63.48185, df = 9, AIC = 145, BIC = 170.9		

*$p < 0.05$

Once again the reciprocity variable turns out to be significant. The odds ratio equals $e^{1.39863} = 4.045$. Hence, the odds ratio indicates that representatives in the FSSPP network were very open in sharing relevant information and ideas with a network alter if this network alter showed a similar kind of learning behaviour.

Another significant parameter is the variable of belief homophily; it has an odds ratio of $e^{1.29691} = 3.658$. As this value is greater than 1, this odds ratio shows that within the FSSPP network, actors were eager to share ideas and information with representatives who held rather similar views and beliefs about the policy situation and possible ways to tame it.

The last significant effect of this analysis is the variable of actor importance. The theta has a value of 0.89136, which means that the odds ratio equals 2.438. Thus, a representative in the FSSPP network was more likely to share information and ideas with a network alter, if the involvement of the organization of the network alter was regarded by the representative as 'very necessary' to tackle the policy problem.

DISCUSSION AND CONCLUSIONS

Research on the micro-level learning dynamics in processes of innovation in collaborations has so far been quite scarce. Therefore we set out to study the learning dynamics between representatives of public sector organizations in an administrative network regarding the development of the Flemish Sustainable Spatial Planning policy. Thanks to ERGM analyses, we generated several insights into the underlying social processes and tie-formation mechanisms that generated the emergent learning activities in the collaborative innovation process.

The tie-formation mechanisms, however, often differed for the three behavioural learning manifestations. Table 5.5 provides an overview

Table 5.5 Results of the analyses; R = reject hypothesis; A = accept hypothesis

	Construction	*Co-construction*	*Constructive conflict*
H1: Belief homophily	R	R	A
H2: Trust	A	R	R
H3: Out-degree	R (A at $p = 0.1$)	R	R
H4: Reciprocity	A	A *but neg. direction*	A
H5: Transitivity	R	R	R

of the hypotheses that can be accepted or rejected on the basis of the ERGM analyses. Significant control variables were: in-degree popularity, the role of the chairman, actor importance, personal meaningfulness, and the number of years a representative was a member of the network.

On the whole, these findings provide us with three particular observations about why individuals are more likely to engage in learning practices with some participants and not, or to a lesser extent, with others during collaborative processes of innovation. These three observations further allow drafting recommendations about how managers can spur dialogue and learning activities between participants of collaborative processes of innovation.

First of all, transformative learning processes are not something straightforward. Recall, these are dialectic processes whereby joint image building and cognitive change occurs within a group of individuals (instead of merely between two representatives) as a result of their interactions. In none of the analyses, the transitivity feature contributed substantially to model fit; which indicates that no tightly clustered learning alliances were formed in the collaborative network. In addition, the significant belief homophily factor shows that representatives in the FSSPP network were much more open in sharing information and ideas with network members who held similar beliefs, compared to representatives that perceived the problem situation quite differently.

These results find much resonance in the network governance and collaboration literature. Henry et al. (2011), for example, find in their ERGM study on the case of the California Regional Planning strong support for the aversion aspect of the ACF belief homophily hypothesis. More specifically, their results show that divergent belief systems consistently have a strong negative effect on the formation of collaborative ties. Similarly, Weible and Sabatier (2005) have shown that in situations where policy core beliefs are contested, ally networks tend to correlate with shared beliefs. Also, the belief homophily thesis was supported in a study on environmental conflicts by Ingold (2011). Lastly, Calanni et al. (2014) reveal in their study on nine collaborative aquaculture partnerships that, 'in collaborative partnerships where policy core beliefs are threatened, network members will coordinate more closely with other members who share their views on major policy issues'.

Therefore, in line with these findings, one recommendation is that managers of collaboration processes of innovation foster learning activities particularly between 'opposing representatives', if they want to

develop policy solutions that move beyond existing practices and routines. Agger and Sørensen (2016, p. 5) suggest that this can, for example, be done by translating between different perceptions and experiences or reformulating conflict into dilemmas that through bargaining and negotiation can be settled. Ultimately, such a management approach activates actors to get to know each other and from thereon expand, with more background and appreciation for the others' points of view, their group activities to develop an innovative policy plan.

The second observation is that exemplary, or good, learning behaviour is rewarded in collaborative innovation processes. That is to say, the analyses reveal that representatives were more likely to ask questions of clarification to network members that did go out of their way to bring the collaboration to a good end. In addition, the representatives of the FSSPP network were likely to 'return the favour', if a network alter asked questions of clarification or shared relevant information and ideas with them.

These findings are similar to those of scholars who empirically studied the concept of 'collaborative costs' (Agranoff 2006; Bardach 1998; Thomas 2003). They commonly claim that there has been much emphasis on the benefits that emerge from collaborative efforts. However, collaboration also brings along certain 'costs', for example time and personnel costs resulting from a protracted decision-making process as a consequence of the unwillingness, strategic-ness or risk-averseness of actors involved (Agranoff 2006). Following this line of thought, it can be assumed that good behaviour reduces the amount of collaborative 'transaction' costs in networks, and makes actors more willing to engage with a representative who shows such a kind of exemplary learning behaviour.

For that reason, managers of collaborative processes of innovation are advised to reward and celebrate individuals who show exemplary learning behaviour and set norms in the collaborative arrangement that see creativity, collaboration and learning not as barriers but as drivers for innovation (Ansell and Torfing 2014, p. 10). Such a management approach canonizes the ability to make hard new choices as the road to success. In addition, it makes it easier for a group of actors to find a modus vivendi where the focus is on creating a 'collaborative advantage' (Kanter 1994), instead of on the individual and organizational gains and losses.

The third, and final, observation is that in collaborative processes of innovation some representatives sit in positions where the involvement of their organization accrues power within the collective. To be more specific, from the ERGMs it becomes clear that representatives, who come from organizations which are regarded by others as 'very necessary' to

tackle the policy problem, receive a lot of information and ideas from other representatives. To some extent this indicates that 'power' in collaborative innovation processes attracts information, and 'weaker' individuals 'strategically' try to influence the frames of 'powerful' representatives by providing them with information and ideas.

The latter is also something that Agranoff (2006, p. 61) noted. In his inductive study, including discussions with more than 150 public officials, he found amongst other things that 'despite the cooperative spirit and aura of accommodation in collaborative efforts, networks are not without conflict and power.' In a similar vein, Burt (1992, p. 67) reports in his study that, 'it appears that in networks actors occupy different role positions and carry different weights.' Hence, it would be wise that the manager of collaborative processes of innovation actively sees to it that in discussion and learning activities all participants' ideas and concerns are given enough weight to avoid that eventually in the discussions certain interests, concerns and ideas prevail over others.

There can, of course, be many other tie-formation effects at play in learning activities during collaborative processes of innovation, which require different management responses. For this study, just a few hypotheses were selected from the available scientific literature on micro-level actor processes to study the learning dynamics within a top–down mandated administrative network in the Flemish governmental context. Hence, we argue that it is important to substantiate the research on collaborative processes of innovation with more analyses on the micro-level learning processes in collaborations, including other predictor variables. Only then scholars can get a better view on under what circumstances collaborations can optimally be used as vehicles for the promotion of innovations in the public sector.

An alternative approach to consider for such analyses is incorporating the ERGM methodology in a mixed-method design (with interviews, document analysis or archive research), and supplement the statistical network analyses with qualitative data, to provide more context to the significant and non-significant parameters.

There are also certain limitations to this research. First, a major limitation is the use of the name-generating technique in the dependent variable. This definitely has its effects on the explanatory power of the predictor variables, and the way in which respondents answer to survey questions. However, the design of a study remains a balancing act between not burdening the respondent too much and collecting as much data as possible. Second, the ERGM methodology is limited by an

inability to accommodate networks with valued ties. This means that the dependent variable in ERGMs must always be binary in nature: an actor has either a connection with another actor or not. Yet, recent extensions by, for example, Scott (2015) may provide the key to overcome this limitation.

After all, this research contributes to the scholarly debates about the use, design, and management of collaborations for fostering innovations, and encourages public administration researchers to add new equipment to their methodological toolbox by making use of relatively new research methods.

Notes

1. Socio-cognitive behaviour is in the cognitive psychology literature understood as a form of human interaction and information process (Gioia and Sims 1986), whereby participants through dialogues and discussions with other people acquire more knowledge about the problem situation which, in turn, allows them to adapt or refine their original interpretation of the problem addressed.
2. Arbitrary meaning here that the other actor j ('receiver') has no characteristics or tie pattern making him/her especially attractive for actor i ('sender').
3. The shadow of the future is a concept that stems from the game theory literature. Essentially it expresses the idea that people behave differently when they expect to interact with someone repeatedly over time. The common take on this is that the shadow of future is *good for cooperation*, as it allows individuals to escape prisoners' dilemma situations by using conditional retaliation strategies.

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CHAPTER 6

Learning from Practical Experience: Implementation Epistemic Communities in the European Union

Daniel Polman

European Union (EU) policies have a reputation of being complex, ambiguous, and of imposing high regulatory burdens, resulting in implementation difficulties. The European Commission has shown awareness of this notoriety and, in response, has launched programmes such as Better Regulation and Regulatory Fitness and Performance (REFIT) programme. These initiatives, aimed at improving the quality and practicability of EU policies, rely for a large part on the ability of the EU to learn from previous policy experiences.

Practical experiences from the implementation of a policy may trigger moments of policy learning in which ideas and beliefs toward a policy are updated (for example, Bennet and Howlett 1992; Dunlop and Radaelli 2013; Hall 1993). Critically, feedback from policy administrators has been

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acknowledged as an important source of simple (or single loop) learning and eventual policy change (Hall 1993). Accordingly, policy change may even be seen as the 'natural by-product of (…) the emergence and growth of administrative expertise' (Heclo 1974, pp. 284–285).

However, in most approaches to the policy process, the flow of experiences from those who are involved in the practical implementation of policies, and those with the authority to make policy changes appears to be taken for granted. This is problematic, as information cannot be assumed to 'just find its way' (Weiss et al. 2005); there are too many interests and powerful actors involved, and there is simply too much information out there for policymakers to handle (Baumgartner and Jones 2015). Moreover, in the context of the EU, those responsible for making the rules at the European level are quite detached from those responsible for implementing them at the level of the Member State. In most cases, domestic implementing agents who obtain practical implementation experiences and information have little geographical or organizational proximity to EU policymakers (Young 2010, p. 64). Therefore, the exchange of practical implementation experiences is not self-evident, and needs further explanation.

In this feedback process characterizing implementation, domestic agencies involved in the administrative implementation of EU policies (henceforward implementing agencies), may use various strategies to share (or upload) their experiences to policymakers at the European level. Several studies have shown that the activity of such agencies is not limited to the implementation of the delegated regulatory competences, and that they are developing an increasingly important political role in the formation and development of policies (Littoz-Monnett 2014; Maggetti 2009; Verschuere 2009). Moreover, administrative officials are regularly seen as those triggering government learning (Bennett and Howlett 1992; Etheridge and Short 1983).

While the EU offers a plethora of policymaking modes, with various actors involved (such as the European Council, European Court of Justice, Council of Ministers, Committee of Permanent Representatives (COREPER), Commission, (expert) committees, and European Council groups) which each face different types of decisions, and different rationalities, the European Commission and its DGs are perhaps the most likely actors to learn from implementing agencies' experiences (Peterson 1995, p. 71). As a legislator (with an active role in policy change), the Commission has the formal right to draft legislative proposals. In order

to fulfil its legislative responsibilities, external expert knowledge is a critical resource for the Commission (Bouwen 2004; Henning 2009). Hence, actors with exclusive expert information may raise the interest of the Commission. In return for this expertise, the Commission may grant access to actors as a reward for providing valuable knowledge and input for their policymaking activities (Broscheid and Coen 2007).

However in practice, implementing agencies are rarely studied beyond their role of policy administrators, while their experiences are valuable resources for further policymaking (Sager et al. 2014). This is an important gap in the literature on the (EU) policy process. As a result, little is known about the relationship between EU policymakers and implementing agencies, and the role of their practical experiences in the EU policy process, or the lack thereof. Therefore this chapter addresses the following question: how is a learning relationship between domestic implementing agencies and the European Commission shaped?

To provide an answer, I turn to the process of the reform of the Common Agricultural Policy (CAP) in 2013. Based on literature on learning relationships between experts, or epistemic actors, and policymakers, the case allows us to uncover important dimensions shaping the relationship between domestic implementing agencies and the European Commission. Studying these dimensions enables us to take a closer look at the 'black box' underlying this relationship.

Moreover, this study takes a dynamic perspective on the role of implementation experiences in policy learning, which requires a theoretical focus on the structuring of the interaction between implementing agencies who obtain practical policy experiences and the EU institutions who make policy decisions. The aim of this dynamic perspective on the role of implementation experiences in EU policy learning is to unravel the strategic behaviour of implementing agencies, while also looking at the actions of the European Commission, underlying the learning relationship between these actors. This provides us with a better understanding of how implementation experiences feed back into the EU policy process, and how learning relations between domestic implementing agencies and the European Commission are constituted. Subsequently, our contribution is twofold. First, to shine a light on the role of implementing agencies in the EU policy process beyond their role as mere policy implementers, but as strategic (epistemic) actors. And second, to make strides in understanding underlying mechanisms shaping learning relationships between implementing agencies and EU policymakers.

The chapter is structured as follows. The upcoming section elaborates the idea of implementing agencies as epistemic actors and then provides theoretical insights on how and when policymakers engage in learning relationships, and what the role of implementing agencies is in this process. Then the case of the CAP and methodology will be further introduced. After presenting the empirical observations of the relationship between implementing agencies and the Commission over the period of the 2013 CAP reform, these findings are interpreted in the light of the theoretical discussion on policy learning. The chapter concludes with implications for further research.

Implementing Agencies as Epistemic Actors

Networks of professionals with valuable expertise and an authoritative claim to policy relevant knowledge have been referred to as epistemic communities (Haas 1992, p. 2). Epistemic communities promote policy learning since their expert knowledge may be valuable to policymakers dealing with policy ambiguity and uncertainty, or for the promotion of certain policy alternatives (Haas 1992; Zito 2001). To be classified as epistemic communities, these professionals have to share a common worldview, which consists of (1) a normative rationale for social action; (2) causal believes stemming from studying the practice of policy actions and outcomes; (3) criteria for validating knowledge. Finally, epistemic communities have a fourth characteristic: (4) a common policy enterprise, which consists of shared practices, associated with a set of problems that the community addresses with the help of their expertise (Dunlop 2009; Haas 1992). One of the limits of literature on epistemic communities, however, is that it focuses predominantly on groups of scientists, leaving out other groups of professionals with valuable expertise (Davis Cross 2013). This chapter demonstrates implementing agencies may also take the role of an epistemic community. But first, I will provide some theoretical background on learning relationships in which policymakers receive specialised knowledge from such epistemic communities.

Learning from Epistemic Communities

The literature on epistemic learning identifies some factors and conditions that contribute to the relationship between policymakers and epistemic communities. Zito (2001), for example, has studied whether the

structure of the EU may hamper or advance the position of epistemic communities in the policy process. His findings indicate that the EU offers a favourable institutional context for epistemic communities to affect policy outcomes, because of the emphasis on innovation and multiple access points.

Moreover, learning relationships between epistemic communities and policymakers are associated with highly certified actors, and policy issues with high levels of uncertainty surrounding them (Dunlop and Radaelli 2013). The certification of experts is based on how the policymakers regard their authority and legitimacy. In terms of learning, an actor has to enjoy sufficient social legitimacy and professionalism to be identified as a 'teacher' by the relevant policymakers (Dunlop 2009; Dunlop and Radaelli 2013, p. 602; Zito 2001). Authority and legitimacy may also be derived from an actor's position within the policy process, and its relationship with policymakers (Davis Cross 2013).

In the case of implementing agencies, some degree of legitimacy may already come from their involvement in implementing a policy programme. Moreover, the practical experiences with the administration of EU policy programmes, bring another advantage, because these offer a highly specialised form of knowledge, which is only accessible through a limited number of actors. This means that there is little competing knowledge available.

Then there is the level of uncertainty. Policy issues surrounded by higher levels of uncertainty are assumed to put policymakers in a position in which they are more willing, or even required, to rely on expert knowledge in order to understand and consider different policy options. Lower levels of uncertainty make policymakers more susceptible to use expert knowledge more as a way of legitimizing policies, which may have roots in other forms of policy learning (Dunlop and Radaelli 2013). Uncertainty is thought to be especially high in the early stages of policymaking, when the costs of a policy decision are still unsure and the debates are still ongoing, and in technocratic discussions (Peterson and Bomberg 1999; Raustiala 1997; Zito 2001). Thus, this is when epistemic learning is most likely to take place.

However, for our purposes, it is particularly interesting to explore *how* learning relationships between epistemic communities and policymakers are shaped. The role of epistemic communities therein has been suggested to depend on the degree of control over the learning relationship. Here, authors like Dunlop (2009, 2017), and Dunlop and Radaelli

(2013) make an important distinction between control over means (the content and how knowledge is presented), and objectives (to what goal the knowledge is presented).

When policymakers are in control of both the objective(s) and the content of the learning relation, epistemic communities find themselves in a relatively weak position. They will function mainly as *contributors*, like many other actors whose information may serve as feedback on the efficiency of existing policies. In cases where policymakers control only the goals of learning, epistemic communities function as *facilitators* of the learning process. This occurs when policymakers set out what they want to learn, but the content is to be determined by the epistemic community. Vice versa, there may be rare situations in which policymakers control the content, but not the objectives of what they learn. In these situations, epistemic communities are *producers of standards* which are internalized by policymakers, who in turn have to collect knowledge to achieve these goals (Dunlop 2009; Dunlop and Radaelli 2013).

Finally, the optimal situation for epistemic communities occurs when they control both the content and objectives of the knowledge they present (Dunlop and Radaelli 2013). This puts them in the ideal position of *teacher*. In this role, both parties are aware that learning is essential to deal with a policy problem (Dunlop 2009, p. 298). However, these episodes are often short and finish when the learners have made up their minds on their preferred policy directions.

Although understanding which actors are in control is important for the scope of learning relationships, it does not yet answer the question of how these relationships are shaped. Therefore, epistemic communities, and implementing agencies should also be seen as strategic actors with specific preferences, operating within an institutional context (for example, Beyers et al. 2015; Sager et al. 2014; Zito 2001). This context is assumed to be *strategically* selective, meaning that the institutional context in which actors operate favours some strategies over others (Hay 2002, p. 127). The context limits the boundaries of appropriate actions, and provides both opportunities and restraints, which actors may interpret and act upon. Although actors are considered to be limited in their information processing capacities, they are still assumed to act deliberately in order to realize their preferences, and to adjust their strategies on basis of their observations of the institutional context (Hay and Wincott 1998; Zwaan 2012). This means that in the development of a learning relationship, it is not only policymakers learning from epistemic communities, but also strategic learning on the side of

the implementing agencies about which strategies should be employed in order to make the learning relationship as beneficial as possible. In a fashion similar to policy entrepreneurs, implementing agencies may use various strategies to influence the policymakers (cf. Littoz-Monnett 2014; Pralle 2003). Thus, in order to understand how learning relations are shaped, we also need to take the strategies and interests of the implementing agencies into regard. In other words: we have to understand which actions these actors took to end up where they did (Dunlop 2007, 2013).

Therefore, it is interesting to empirically asses what these factors of certification, uncertainty, and control mean for the strategic actions of implementing agencies in establishing and maintaining a learning relationship with the Commission. More specifically, in order to improve our understanding of these dynamics, we need to look into which strategies implementing agencies use to become certified, what the role is of uncertainty, and what the role is of control over means and objectives in shaping this relationship.

CASE: THE 2013 REFORM OF THE COMMON AGRICULTURAL POLICY

In the upcoming sections, an exploratory case study is presented on the dynamic interactions between the Commission and implementing agencies in the period around the 2013 CAP reform. The formation of learning relationships between implementing agencies and the Commission, and the strategic behaviour of implementing agencies in policymaking is still mostly unchartered territory. This case serves to uncover and study these dynamics. In the following sections, I provide further insights in the processes in which learning relations between policymakers (European Commission and DG AGRI) and implementing agencies (paying agencies organised in the LN) are shaped. This is also a *revelatory* case (Yin 2012, p. 49), because of the lack of previous research in this direction, and the use of unique data, which is used to explore the nature of this relationship.

The 2013 CAP reform offers an information rich case to study how learning relations between implementing agencies and policymakers may be shaped, as both during, and after, the reform process, there have been frequent interactions between policymakers and implementing agencies. Moreover, the CAP is one of the most prominent policy programmes of the EU, which takes up over 40% of the EU's budget

(Alons and Zwaan 2016). With this much money involved, smooth implementation is particularly pertinent.

The specific implementing agencies at the centre of this study are known as 'paying agencies'. Under the title of shared management, the assignment of paying and controlling beneficiaries, who receive agricultural support from the EU, is delegated to the Member States. Within the Member States, national or regional, paying agencies are tasked with this responsibility. These paying agencies are responsible for checking the eligibility of potential CAP beneficiaries. In this regard, paying agencies implement systems for monitoring the eligibility criteria laid out in the acts on Direct Payments, and Rural Development Payments (EC No 1290/2005). In this process, domestic implementing agencies have organized themselves in the Learning Network for Paying Agencies and Coordinating Bodies, more commonly referred to as the Learning Network (LN). The LN can be seen as common policy enterprise, with the goal of simplifying the CAP, and resolving implementation issues of policy instruments of the CAP by using their expertise. Through this transversal network organisation, the paying agencies frequently meet with important EU policymakers, in particular the European Commission and its supporting Directorate-General (DG AGRI).

Method and Data

For this contribution I rely on document analysis and semi-structured expert interviews. The LN's online network offers unique insights in the discussions and exchange of experiences between implementing agencies and EU institutions. In order to identify learning interactions, and how they are shaped, this chapter builds on correspondence of the LN with the Commission, non-papers, minutes from meetings, and other primary documents collected through this online collection. Moreover, seven (semi-structured) expert interviews were conducted to further identify the dynamics of this learning relationship. The experts have been selected on basis of their involvement in the exchange of information between paying agencies and the EU (see Appendix 6.1). The interviewees have held important positions in either the LN or DG AGRI.

The data provide new insights on how experiential knowledge is brought into the EU policy process. The interactions between implementing agencies and the Commission, and the underlying strategies can be traced from the early stages of the reform process until the beginning of the actual implementation of the new reform and unveil the factors

that contribute to the dynamics of this relationship. The following narrative presents the main empirical observations. In the discussion that follows, we reflect on the different strategies that have been identified, and the role of legitimacy, uncertainty and control in the interactions between the LN and the Commission and DG AGRI.

Results: Learning Interactions in the CAP

In 2009, in the early stages of discussion about the agenda of the upcoming CAP reform, paying agencies in various Member States decided to organise themselves in the LN. However, already before the emergence of the LN, frequent interactions were taking place between paying agencies and EU institutions. Some Member States have had the habit of bringing along representatives of paying agencies to Agricultural Council meetings, or meetings of management committees. In these interactions paying agencies mainly assist their Member State representatives, while subsequently receiving important information about upcoming policy decisions that are likely to affect their daily administrating activities. Moreover, both DG AGRI and paying agency representatives remarked that aside from sitting at the table during government negotiations, paying agencies have also frequently interacted horizontally through so called implementation committees and 'exchange of experience workshops' (Interview 4). In these meetings, implementation issues are discussed among paying agencies. According to multiple interviewees, the Commission is also involved in these meetings in order to provide additional clarifications about how policy instruments should be understood and implemented (Interviews 4, 6).

To some extent, meetings in the implementation committees focus on sharing implementation experiences. However, according to one senior staff member of DG AGRI, these meetings are mainly for paying agencies to learn from the Commission, who provides clarifications on complex technical instruments, how best to address national issues with EU legislation, and sharing best practices between Member States, although the Commission also pays attention to the practical problems occurring.

According to the former secretary of the LN, in the run up to the 2013 CAP reform, paying agencies noticed that in order to put policy issues on the agenda, they had to cooperate more closely (although convincing the Commission to take issues off the agenda was projected to be much harder) (Interview 2). The ability to collect the expertise and

positions from across Member States would make them a more legitimate sparring partner for the Commission (Interview 7).

Subsequently, likeminded senior officials and directors from a substantial number of paying agencies, mostly from 'older' Member States, initiated a new horizontal cooperation under the header of Learning Network of Paying Agencies and Co-ordinating Bodies (LN). The main goal of this new association was to 'initiate, co-ordinate and improve *informal* and practical co-operation between European Paying Agencies, Co-ordinating Bodies and EU institutions' (LN 2014a, p. 1, italics added by author). Furthermore, it wished to partake an agenda-setting function, especially concerning the simplification of the CAP (LN 2012a).

The primary response of the Commission was very welcoming, and after introducing the LN to the deputy director-general, with whom the directors of the paying agencies had previous meetings, the Commission swiftly invited the LN for an official meeting. There was a clear interest in the ideas and expertise that the LN could bring to the table. On basis of its institutional position, previous interactions, and the newly created organizational backbone, the LN enjoyed a great deal of social legitimacy with the Commission. The deputy director-general was willing to help the LN, which he found 'a very good initiative from the beginning, because it was not the Commission who had to instigate (…) and showed (…) initiative and understanding' (Interview 5).

In a response to the ambitions and initial policy ideas suggested by the LN, the Commission gave a clear sign of *certification*, as it invited the LN to become an expert group (LN 2012a). A type of formal involvement in the policymaking process which is sought-after by many interest representatives (Chalmers 2014). This provided the LN with an immediate opportunity to institutionalize their interactions with the Commission. However, according to the former secretary of the LN, they kindly rejected this offer, on the grounds that they wanted to have a greater deal of influence on the frequency of their interactions with the Commission, instead of being available only at the Commission's request (Interview 2). Moreover, they preferred to continue interactions on an informal basis, as this presumably provided them with 'more equal grounds' (LN 2012a). This move did not decrease the willingness of the Commission to sit down with the LN. Later the deputy director-general noted that it was a good decision to stay informal, so the LN could 'keep control over what they are doing' (Interview 5).

As a result, the LN offered a new platform for meetings between with representatives of the Commission and DG AGRI. During the agenda-setting stage of the reform process, the members of the LN were actively mobilising experiential knowledge. They continued their activity throughout the following process of policy formulation and decision-making in attempts to keep the practicability of the proposed reform on the table, while also arguing for simplification of the existing policy instruments.

In November 2010, the Commission released a first communication on the plans for a CAP reform for the period 2014–2012, setting out clear policy goals (European Commission 2010). One of these goals of the reform was to simplify the CAP, and reduce the regulatory burdens (European Commission 2010, p. 6), which was also one of the core issues for the LN. However, in addition, a number of new policy instruments concerning the direct payments were introduced, including the controversial new greening measures (European Commission 2010, pp. 8–10).

In March 2011, as a first official response to the Commission's plans, the LN emphasised this mutual interest in simplification of the CAP, while attempting to convince the Commission of the necessity of simplifying the CAP, not only for farmers, but also for the paying agencies (LN 2011a, b). To emphasize the necessity of these changes, the LN referred in particular to the potential costs if some of its proposed simplification measures would be ignored. Furthermore, the LN was early to point out that a timely implementation of the Commission's plans would otherwise be impossible (LN 2011a). However, in the eyes of the paying agencies, the first legislative proposals presented in October 2011, had minimal benefits for the paying agencies (Interview 2; also see: European Commission 2011).

According to representatives of the Dutch paying agency, most paying agencies were aware of the upcoming proposals before they were officially released, mainly because they were well informed through informal networks and connections about the political agenda for upcoming reform (Interviews 1, 2). Therefore, the LN was able to quickly respond to the first legislative proposals by sending the Commission the most glaring issues from an implementation perspective immediately the next month (LN 2012b). These issues were raised in special discussion papers, so called non-papers. Three of the most important themes in these non-papers were the time path for implementation, the new elements of cross-compliance and on-the-spot-controls (OTSC) (LN 2012d), and the expected impact of the new greening instruments (LN 2012c).

The non-paper on the time-path for implementation particularly raised issues concerning a proper understanding of the new policy instruments, and the adjustments of mutual expectations. OTSC and cross-compliance were already part of the existing CAP legislation on the eligibility of farmers for receiving CAP funds. In these cases, the suggestions for changes were based on actual problems emerging from experiences with the current policy instruments. Greening was clearly a new element of the CAP, for which farmers would have to comply with certain ecological measures in order to receive all the funds they can be entitled to. This came with the introduction of new policy instruments for controlling the eligibility of farmers. In a response to these greening instruments, the LN suggested that only measures should be introduced which would fit the existing system for monitoring farmer eligibility. These non-papers were purely initiated by the LN, and it was both in control of the objectives and the content of the information they presented. The main argumentation was built on raising awareness for technical issues that needed to be dealt with in the formulation of the policy instruments in the reformed CAP in order to keep the implementation costs manageable. Moreover, the aim of the LN clearly was 'to bring down the administrative, financial, and control burdens to an acceptable level for all actors involved' (LN 2012c, p. 1).

Particularly a reduction in OTSC was seen as one of the core points for the LN in order to improve the practicability of the CAP. However, the initiative was not received with the same enthusiasm encountered earlier. According to the former secretary of the LN, a reduction of the OTSC appeared to be at the bottom of the priority list of the Commission, who were at the time thinking in terms of increasing accountability, instead of decreasing costs for implementation (Interview 2). The Commission itself claimed that the presented ideas were not constructive enough to work with (European Commission 2012). Moreover, a recurring problem from the Commission and DG AGRI with the LN's information up to this point was that 'a lot of effort has gone into identifying problems, but it remains to find practical and realistic solutions to these problems' (European Commission 2012, p. 2).

Nevertheless, the Commission continued to express its interest in the expertise that the LN had to offer. Following the non-papers, the Commission officially confirmed further input from the LN throughout the reform process was useful, 'as (the paying agencies) are the ones that will have to implement the reform in practice' (European Commission 2012, p. 2).

At this point, the Commission started to take a more active role in the learning relationship and attempted to steer the direction of the interactions by explicitly expressing the sort of information which it was looking forward to receive from the LN. Namely: difficulties for paying agencies; relationships between paying agencies and Member State decision makers; the political process and potential difficulties toward the end result; and expected duration of implementation based on the current proposal (European Commission 2012). However, this did not automatically imply that the Commission took complete control over the information they would receive from the LN. The following meetings often had a shared agenda: some of the topics were requested by the Commission, but there was also space for issues relevant to the paying agencies. Although, according to a senior LN representative, the Commission always appears to have some reservations about LN proposals. Moreover, based on the earlier communications and discussions with the Commission, the LN had a better idea of the type of information that was demanded throughout the reform process (Interviews 6, 7).

During the policy formulation stage, communication between the Commission and the LN became more frequent. The interactions at this point were typified by a large number of questions from the LN on behalf of the Commission about how to interpret the way in which certain policy features were drafted (for example, LN 2012b). In particular the newly introduced greening measures were surrounded by uncertainty about the implementation and required further clarification by the Commission (LN 2013a). In response, the Commission often answered to these issues, or promised to elaborate in the adjoining delegated and implementing acts. During the policy formulation, the LN also became more responsive to the sort of information the Commission requested. A good example is that when the Commission continued to express its interest in input from the LN concerning potential problems with the newly introduced greening measures, the LN organized a survey amongst its members in order to make an impact assessment based on experiences with the current cross-compliance control system, in order to fulfil these demands.

However, the LN did not always share its expertise with the Commission when asked for input. For instance, when the Commission requested feedback on some technical aspects of their policy proposal on greening, the LN responded: 'In general, [paying agencies] are of the opinion that we have to respect the political position of the Council and later the final outcomes of the trilogues. (…) Furthermore, much can

be arranged via workable delegated and implementing acts. Therefore, and as being agreed upon with the Commission, the Learning Network is more than willing to discuss these with the Commission as soon as the basic acts become more stable' (LN 2013a, p. 1). Meanwhile, the LN also kept presenting relevant issues from the perspective of the paying agencies to address in the reform (for example, LN 2013b).

Toward the end of the final policy proposal from the Commission, most of the communications between the Commission and the LN were still focused on discussing the new greening measures, and in particular the expected implementation problems. During this period, up to the final drafting of the main regulations of the reform, the Commission clearly recognized the position of the LN that implementing the new greening measures would bring an enormous amount of difficulties. As a consequence, the Commission continued to ask for more input on this topic from the LN (LN 2013a). The controllability of the new measures was a key theme. According to the LN, adding the greening measures to the existing system would take too many costs and efforts from the domestic paying agencies (LN 2013a). Therefore, its preferred option was to abstain from such drastic changes to the system of direct payments. However, according to experts from both DG AGRI and the LN, this option was never seriously considered, because introducing the greening measures was the result of political bargaining amongst other sets of actors (Interviews 2, 3, 5).

After the reform had been finalised, the interactions certainly did not stop. According to the deputy director-general 'once the policy had been shaped, it was more clear which implementation problems to expect,' and therefore, 'the most useful meetings came after the reform, when it came to the question of implementation' (Interview 5). This line of thought was also shared by senior staff members of the Dutch paying agency, who indicated that the LN was most successful in affecting the proposals of DG AGRI in the formulation of the implementing and delegated acts that followed after the final decisions on the main legal acts (Interview 1). The current chair of the LN even noticed that over time the relationship between the LN and the Commission has become more successful. While in the beginning of the LN, this was not so much the case (Interview 6).

After the main regulations passed the ordinary legislative procedure, the decision-making process looked different, which influenced the dynamics. Decisions which still had to be taken at this point relied more on specialised committees, and were less about who-gets-what, but more about the

how-question related to policy administration. In the discussion of the implementing acts, the processes behind the policy instruments were a focal point. A discussion in which the expertise of implementing agents was much more relevant. Moreover, the uncertainty surrounding the content of the main regulations was out of the way, while uncertainty about how to implement these acts was at the forefront (for example, LN 2014b).

Over time, the mutual interests of the Commission and the LN became more tangible to both. They shared one important goal motivating their frequent interactions: a smooth implementation process. This also manifested itself in some concrete policy outcomes. For example, the removal of certain landscape elements from the greening measures through the delegated and implementing acts announced in 2014 were pointed out as a modest achievement (Interview 1). Overall, several experts who have participated in the meetings between the LN and the Commission and DG AGRI shared the feeling that these were mostly very good contacts, with good opportunities to learn, which were in the end mutually beneficial (Interviews 5, 6, 7). A DG AGRI representative even referred to the implementers in the Member States, and the DG as 'one big family' (Interview 5).

Discussion

The investigation of the interactions between the LN and the Commission and DG AGRI reveals four key findings. First, with regard to certification, we see that bringing together expertise in a transversal network organisation can be a good strategy for implementing agencies to be treated as a certified epistemic actor by the Commission. The initial strategy of paying agencies to organise themselves in the LN, as way of gaining more legitimacy, and to obtain access to the European Commission proved to be quite successful. The initiative was welcomed by the Commission and resulted in a newly created access channel for paying agencies to put forward their expertise for further policymaking.

Second, there appears to be a link between certification and control. The certified position, and the value of the expertise gave the LN a position with more control in the relationship. Part of the LN strategy was to keep the interactions with the Commission informal. Mainly with the objective of keeping control over the content and goals of the interactions with the Commission, as the paying agencies were afraid that a more formalized form of interactions, in the form of an expert group, would mean that the interactions would be limited to requests from the

Commission. Apparently, the Commission valued the expertise of the LN enough for them to continue interactions on an informal basis.

Third, this case indicates that control over means and goals is indeed a dynamic issue, in which actors use various strategic actions in order to keep the relationship beneficial. The initial strategy of the LN of sending critical non-papers was not well received. Although the LN was controlling both the content and the objectives of these papers, it did not match the demands of the Commission. Therefore, the reception of these papers and initial ideas was not very welcoming, and the LN was not perceived as a teacher, instead the Commission clarified that it was looking for other sorts of information. This contrasts the expectation that if the learner (in this case the Commission) has little control over the means and objectives of what is taught, the epistemic community will take the role of teacher.

Subsequently, the Commission attempted to steer the direction of the learning relationship, in order to attain control over the goals of the interactions. The LN responded willingly to this request, for example by organising a survey amongst its members. Although it was not explicitly noted in the interviews, this may have been the opportunity for the paying agencies to show the Commission their added value, or to avoid the threat of being regarded as ineffectual. Moreover, even though the Commission had high control over both goals and content of interaction over some issues, the LN always was more than just another contributor, its information was too exclusive, and the LN did not forget about its own objectives, which remained on the agenda for meetings with the Commission. DG AGRI staff members involved also acknowledged the value of the issues addressed by the LN. According to the current chair of the LN, the effectiveness and mutual understanding grew stronger over time, as both sides became more accustomed to the interactions, and were able to adjust their expectations accordingly. This reminds us that learning relations grow over time, and further indicates that control over the means and objectives is continuously contested and remains a dynamic issue. The scope of a learning relationship not merely reflects the control over content and objectives, but whether a learner accepts that a teacher takes the lead, and that through more frequent interactions control can and will be negotiated. This is even the case when it comes to highly certified actors, such as paying agencies.

Fourth, the effect of uncertainty on learning appears to depend on the stage of the policy process. The uncertainty surrounding the debates about the basic acts of the reform left little room for the LN to provide

useful input, and even hampered the use of their expertise. Accordingly, the results indicate that during the formulation of the main regulations of the reform, the experiential knowledge presented by the LN was taken in by the Commission, but responses were lukewarm, and it did not appear to materialise in usable lessons. This stage was dominated by to too many political decisions and powerful actors which were not too concerned with the administrative practicability of a policy.

However, with the uncertainty about content of the main legislation out of the way, as the basic regulations of the new CAP were finalised, discussions about implementation were more at the forefront. The European Council and Parliament were less involved in formulating the supplementing implementing and delegated acts, while there was a greater role for expert committees, in which implementation issues are generally a more central concern. This points out that the expertise of implementing agencies is particularly welcome in tuning new policy instruments surrounded by uncertainty, and less relevant for the formulation of the main regulations.

Conclusions

We have looked into how learning relations between domestic implementing agencies and the Commission are shaped, and more specifically which strategies implementing agencies use to become certified, the role of uncertainty, and control over means and objectives in shaping this relationship. Through an exploration of the interactions between the Commission (and DG AGRI) and paying agencies in the LN in the period surrounding the 2013 CAP reform, results have shown four important lessons in this regard which have been examined in more detail the discussion section above.

Additionally, we have made progress in the study of implementing agencies as actors in the policymaking process. First, we demonstrate that, when organised, implementing agencies may be studied as epistemic communities. And second, we have provided new empirical insights in how implementing agencies provide practical feedback to policymakers, despite the geographical and bureaucratic distance between implementers and policymakers in the EU. But also thanks to the opportunities offered by the Commission.

Furthermore, our study indicates that epistemic learning is hard to capture at one moment in time, it is better understood as a dynamic process of repeated interactions in which actors also learn about each other's expectations and their mutual interests. Although control over objectives

and means during the exchange of expertise is important, the exchange of information between policymakers and epistemic actors can lead to an understanding about shared objectives where the expert knowledge is most useful. Similarly, highly certified actors may be of little contribution to learning processes, if they miss out on the needs of the policymakers.

With regard to generalisability, it must be noted that the LN is perhaps an extreme case of well-organised implementing agencies, in which not all Member States are equally involved (particularly Eastern European countries are underrepresented or inactive). But because of the organisational efforts, it does provide new insights in the dynamics of learning relationships that can be applied to future studies on the role of implementing agencies in EU policymaking. Furthermore, a practical lesson is that organisational efforts from implementing agencies in the context of the EU can be rewarded by the Commission. This has also not gone unnoticed in other areas of the EU. In the adjacent policy field of fisheries, a similar learning network is unrolling, inspired by the LN (European Commission 2015; COSAP 2016). This shows that it may be worthwhile for implementing agencies of EU policies to organise in order to keep the practicability of future policies on the forefront, during, but particularly in the wake of policy reforms.

Appendix 6.1: List of Interviews

Interviewee code	Official capacity	Organisation	Date
Interview 1	Dick Oele (NL), Senior Policy Advisor Implementation Frameworks of the Common Agricultural Policy RVO	Dutch Paying Agency	May 2015
Interview 2	Hans van Ek (NL), Senior Policy Advisor RVO	Former Secretary to the Learning Network of EU Paying Agencies	January 2016

(continued)

Appendix 6.1 (continued)

Interviewee code	Official capacity	Organisation	Date
Interview 3	Ana Brncic (HR), Policy Officer	Unit D2—Greening, Cross-Compliance and POSEI), DG AGRI	June 2016
Interview 4	Nicolas Clisson (FR), Head of Unit	Unit 3—Implementation Support monitoring, IACS and LPIS, DG AGRI	June 2016
Interview 5	Rudolf Mögele (DE), Deputy Director-General	DG AGRI	June 2017
Interview 6	Anders Egonson (SE), Director of the Swedish Board of Agriculture	Swedish Paying Agency, Current Chairman of Learning Network	August 2017
Interview 7	Michael Cooper (UK), Director UK Co-ordinating Body September 2017	British Paying Agency, Former Chairman of Learning Network	September 2017

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The Rise and Demise of Epistemic Policy Learning: The Case of EU Biotechnology Regulation

Falk Daviter

This chapter applies the theoretical lens of policy learning to explore the dynamics of epistemic knowledge use in the face of complexity. Policy research has long argued that policy making poses distinct challenges depending on the nature of the policy problem. More recently, the challenges of dealing with complex or ill-structured policy problems have received renewed attention. One recurring emphasis in this literature is that complex policy problems are not amenable to any single analytical approach of problem solving, but instead require knowledge to play a more encompassing and integrated role. A central part of this puzzle concerns the use of scientific evidence and technical expertise in the policy process. This type of epistemic policy learning (see Dunlop and Radaelli 2013) is essential to provide policy makers with the requisite knowledge base to address technically complex policy problems. The increasing

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reliance on epistemic learning has become especially evident as the reach of regulatory policy making keeps expanding to cover newly emerging technologies and previously ignored risks to human health and environmental safety. While acquiring the requisite technical knowledge to tackle such policy problems is essential, policy learning under complexity requires radically different and partially conflicting analytical processes. Viewed from a policy learning perspective, complex policy problems therefore pose a unique challenge. They require different types of learning to deal with different aspects of the analytical task, yet for both analytical and organizational reasons the policy process rarely features different learning dynamics in equal part. Instead, as the following analysis will show, the challenge of complexity creates interferences between different types of policy learning. A particular interest of this chapter is to show how conflicting analytical requirements are reflected at the organizational level of policy making. One important insight this perspective yields is that if policy problems are ill-structured and crosscutting with respect to the boundaries of policy authority, epistemic learning can easily turn dysfunctional (Dunlop 2017a).

The empirical analysis of these questions focuses on the evolution and most recent reforms in the field of EU agricultural biotechnology regulation. EU biotechnology policy faces many of the core challenges characteristic of complex or ill-structured policy problems. While policy making in this area relies extensively on specialized and technical expertise, the relevant knowledge base was itself evolving and remains contested. Competing perceptions of the issues at stake means that problem boundaries keep shifting. The fact that EU biotechnology regulation was an emergent field of policy further exaggerated the extent to which the dynamics of epistemic learning became inseparable from the institutional evolution of the policy sector. Drawing on over twenty years of EU regulatory expansion and reform, our analysis focuses on the rise and demise of epistemic policy learning in EU biotechnology regulation. The chapter concludes with some general observations concerning the limits of epistemic policy learning in the case of complex policy problems.

Policy Learning in the Face of Complexity

Challenges of Policy Complexity

Policy research has a long argued that policy making poses distinct challenges depending on the nature of the policy problem. One recurring emphasis in this literature is that intractable (Schön and Rein

1994), unstructured (Hisschemöller and Hoppe 1995; Hoppe 2010), ill-structured (Simon 1973, 1977) or wicked (Rittel and Webber 1973) policy problems are not amenable to any single analytical approach of problem solving, but instead require knowledge to play a more encompassing and integrated role in the policy process (see also Daviter 2017). Policy learning is adopted here to inquire systematically into 'how knowledge is used and deployed by political actors' (Dunlop and Radaelli 2013, p. 601) in the face of complexity. While complex policy problems may require different types of learning from an analytical point of view, there is good reason to believe that the use of knowledge in the policy process is often selective and that different modes of policy learning may in fact compete and interfere with each other.

Under conditions of complexity and uncertainty, policy learning is typically assumed to take one of two main types: epistemic and reflexive (Dunlop and Radaelli 2013). Epistemic policy learning refers to the use of scientific knowledge and technical expertise to explore policy substance and provide insights into how some predefined policy objective can best be achieved. This type of policy learning is essential to reduce uncertainty and provide guideposts to navigate causal complexity. If a policy problem is characterized by particularly high levels of uncertainty, epistemic knowledge can sometimes help to shape policy making in more profound ways as actors struggle to identify their interests (Haas 1992; see also Dunlop and Radaelli 2013, pp. 608–610). In such cases, epistemic learning extends beyond the more narrow influence of evidence-based policy making in increasing policy effectiveness (Head 2008). Reflexive policy learning refers to knowledge use that affects how policy problems are understood and perceived. This type of learning challenges the underlying assumptions and analytical concepts that structure policy choices and affects the way policy issues are framed for decision making (Radaelli 1995, p. 164; Weiss 1999, p. 471). It speaks to the categories and criteria for problem analysis that shape the fundamental understanding of the issue. Reflexive learning in the policy process is essential to deal with the challenges of shifting problem boundaries, incompatible and competing problem perceptions, unclear evaluative criteria, and contested knowledge bases.

Most complex policy problems require non-trivial degrees of technical expertise and scientific evidence to be addressed successfully. Yet, as essential as epistemic policy learning is to this part of the analytical challenge, epistemic learning has its own limitations. Complex policy

problems frequently involve controversies over multiple, incompatible understandings of the nature of the problem, and addressing such controversies involves 'choices to include some things and exclude others and to view the world in a particular way when other visions are possible' (Stone 2011, p. 380). This type of disagreement cannot be settled by recourse to evidence or scientific analysis (Schön and Rein 1994, p. 23; Rein and Schön 1993, p. 146 ff.; 1991, p. 263). Instead, as Jasanoff (2003, p. 160, citing Winner 1986) argues, scientific perspectives on policy 'may enable more rigorous analysis of issues within the designated frame, but they may also systematically shut out some significant perspectives, preventing recognition of problems that cannot easily be formulated in disciplinary terms.'

While epistemic and reflexive policy learning entail radically different and partially conflicting analytical tasks, organizational barriers further complicate how different types of learning interact in the policy process. As science and technology studies (STS) routinely highlight, the classification of a policy problem as scientific has important procedural and institutional consequences (for example, Jasanoff 1987; Weinberg 1972, 1985). It frequently involves choices over organizational specialization that require some degree of decentralization or delegation of authority, limitations of access and debate and some level of codification of what type of knowledge enters the analysis of policy problems. Viewed from a policy learning perspective, complex policy problems therefore pose a unique challenge in the policy process. They require both epistemic and reflexive learning to deal with different aspects of the analytical task, yet for both analytical and organizational reasons policy processes rarely feature both learning dynamics in equal part.

The existing literature on knowledge use does not provide a uniformly strong basis for the study of such dynamics. Especially the analytical neglect of structural factors in accounts of policy learning has proven problematic. Even Schön and Rein (1994, p. 31) highlight the fact that the prevailing analytical understanding of policy problems are influenced by organizational settings and that problem frames are often embedded in administrative decision making structures (for example, Rein and Schön 1996, p. 95; Schön and Rein 1994, p. 28). Policy learning is therefore not usefully understood in abstract or purely interactional terms. As Rein and White (1977, p. 265) observed some time ago, 'governments do not think… Each actor faces his own unique decision matrix defined by the position he occupies in the institutional structure.'

How analysis of the structural characteristics of policy systems or sectors can inform the study of policy learning is discussed further in the following sections.

Role of Organizational Epistemologies

This chapter follows a view of policy learning in which organizational context is central.[1] This view is rooted in an understanding of organizations as epistemologically closed systems that filter and mobilize available evidence based on structurally embedded rules of observation and inference. At the most basic level, every administrative department, policy unit or government agency can be analysed as the organizational expression of a partial representation of complex policy problems. Jurisdictional boundaries and departmental specialization delineate the relevant knowledge bases, guide information search and pre-select evaluative criteria used in the analysis of available evidence. Policy knowledge that conflicts with the organizational premises is typically ignored or rejected (Dery 1990, p. 128). Organizations exist to suppress information (Wildavsky 1983, p. 29).

Studies of organizational epistemologies (Dery 1983, 1986, 1990) reflect larger developments in the policy learning literature, especially the realization that under conditions of information overload and problem complexity the theoretical interest of learning theories shifts from the production and dissemination to the 'filtering' and 'mobilization' of policy knowledge (James and Jorgensen 2009, p. 156). To provide perceptual filters and direct attention towards selective aspects of the task environment is understood as the core organizational function in the policy process (see also Jones 2001). An important consequence of the selective organizational processing of policy knowledge is that different organizational units or sub-units of government will likely reflect partially incompatible interpretations of available evidence at any given point in the policy process.

How organizational processing affect epistemic learning dynamics in the policy process depends on the specific organizational characteristics of the policy sector. The degree of vertical specialization, for example, offers insights into the extent to which administrative units are placed hierarchically under direct political control or remain organizationally independent from political influence. In the case of strong vertical specialization, organizational epistemologies can be expected to be generally

more distinct and pronounced, oftentimes in form of allegiance to some type of scientific or professional expertise. Vertical specialization effectively shields the organizational knowledge base from contestation or intrusion. Conflicting information is more likely to be disregarded or dismissed as irrelevant. For much the same reason, these structural characteristics typically prove detrimental to reflexive policy learning. The bottom line is that different types of policy learning are more likely to prevail depending on certain characteristics of the respective policy sector, specifically the way in which organizational epistemologies are rendered contestable or insulated from the intrusion of conflicting knowledge.

While administrative organizations are understood as epistemologically closed systems, they rarely acquire the position of uncontested arbiters of policy knowledge. Ill-structured or complex policy problems defy easy categorization by definition. They frequently require policy responses that depend on highly integrated government programs (Head and Alford 2015; Weber and Khademian 2008). Conflicts over policy authority and contestation of jurisdictional boundaries are therefore not only common features of this type of policy making, they are also difficult to resolve. As the following discussion of EU biotechnology regulation will show, under such conditions the mobilization of organizational expertise can play an important role in institutional power struggles, which in turn help to explain the dynamics of policy learning.

The Case of EU Biotechnology Regulation

In 2011, the European Commission published a report on the legislative framework the EU had put in place over the past twenty years to regulate the cultivation and marketing of genetically modified organisms (EPEC 2011). In its concluding section, this evaluation report presents its overall assessment as to whether the existing legal framework 'is fit for purpose. The empirical evidence is clear – as currently implemented, it is not…. the system is not working as envisaged and is not, in aggregate, meeting its objectives' (EPEC 2011, p. 73). The report's conclusion goes on to describe a regulatory process that is both rigorously scientific and almost entirely dysfunctional. In large part, the report finds, this is because the policy structures in place 'struggle to accommodate the particular assumptions, perceptions of risk and

local concerns of different actors'. The next sections will introduce the empirical case. The remainder of the chapter will then show how the prism of policy learning can help us understand the initial expansion and eventual collapse of central elements of EU agricultural biotechnology regulation between 1990 and 2015 in terms of the rise and demise of epistemic learning.

Overview of Regulatory Structure in EU Agricultural Biotechnology

EU biotechnological regulation in the areas of agricultural use and food safety began with the introduction of two directives in 1990 (Council of the European Union 1990a, b). The two laws covered the field release and marketing of genetically modified organisms such as genetically altered seeds or plants, and the use of genetically modified micro-organisms in laboratory research, development and industrial production. Scope and applicability of the two safety regulations, especially concerning issues of cultivation and marketing, were designed to override or at least compete with existing EU regulation, if existing regulation was based on lower risk assessment standards. At the same time, the new laws also stopped short of fully addressing important questions such as the labelling of genetically modified products, as well as issues of traceability and legal liability that would foreseeably require further expending the regulatory depth and scope of the existing laws. Rather than settle the issues of EU biotechnology, the early regulatory regime set the stage for regulatory conflicts to come.

Since the introduction of the original biotechnology safety laws, the directive 1990/219 on the contained use has been amended only once in 1998 and was repealed and replaced eleven years later by directive 2009/41. The more complex and wide-ranging directive 1990/220 on field releases and marketing of genetically modified organisms was repealed and replaced in 2001 and its successor, directive 2001/18, was subsequently amended three times in 2003, 2008 and 2015. A closely related regulation on novel foods was adopted in 1997 as regulation 258/1997, partially replaced in 2003 and repealed in 2015. While the directive on contained use was a central element of the initial policy regime, it largely falls outside the scope of agricultural biotechnology and food safety that is the focus of this paper. Thus, the following analysis focuses on the laws on field release and marketing as well as novel foods and their successive revisions.

Learning to Regulate Risk

With the introduction of wide-ranging regulation in the area of biotechnology in 1990 the EU entered uncharted territory, both institutionally and with respect to the evidentiary bases of policy. Both elements interacted to ignite periods of fundamental organizational restructuring that were closely linked the rise and demise of both epistemic and reflexive policy learning. The policy relevance of scientific uncertainty becomes apparent from written comments submitted to the European Commission shortly after the first laws were adopted. Debates over possible future revisions to the existing risk assessment scheme were taking place at a time when 'neither the methodology nor the data for a reliable prognosis, especially on the long term ecological effects of GMOs, are available so far' (European Commission 1993a). In addition, it quickly became clear that the evolving regulatory framework would need to balance competing institutional perspectives on biotechnology. Yet, the way knowledge entered the EU policy process followed a distinctly different dynamic. Its driving force was the organizational contest over policy authority, both within the European Commission and between the three major EU institutions. The first political fatality of this contest was DG Research, the only institutional actor with pre-existing organizational expertise in the area. The research directorate's interpretation of the available science on the environmental effects of green biotechnology failed to support the regulatory approach, risk categories and substantive focus of EU biotechnology safety laws from the start. In response, the respective regulatory DGs, especially DG Environment and later DG Health and Consumer Protection, built up their own organizational counter-expertise. As DG Research never had any strong claims to a regulatory policy portfolio, this contest was won swiftly and easily. When the first inter-service committee to coordinate cross-sectoral issues of biotechnology regulation was set up by the Commission in the preparation for the original biotechnology safety laws, DG Environment and Industry chaired the meetings and coordinated the committee's work, effectively marginalizing the influence of DG Research, the only authority on issues of biotechnology in the EU at the time. Throughout the policy process, the science of biotechnology failed to speak with a unified and independent voice but only entered the policy process as it was channelled and interpreted by competing organizational units. This was maybe most impressively exemplified by the way the lack of evidence of harmful effects of field releases of genetically modified organisms

was used to support both sides of the regulatory argument. Where DG Research saw growing support for relaxing risk categories and streamlining authorization procedures, DG Environment and later Health and Consumer Protection increasingly relied on evolving notions of the precautionary principle to justify existing regulation or advocate their expansion. The original biotechnology safety laws from the 1990s are frequently seen as an early expression of the precautionary principle, long before it became a widely recognized criterion of risks assessment and regulatory policy (MacKenzie and Francescon 2000, p. 533).

Ironically, while DG Research was side-lined organizationally, scientific risk assessment of biotechnological effects on the environment and human health became ever more important. DG Environment's persistent struggle to retain policy authority and maintain the regulatory structure of the biotechnology safety laws, as well as the case for far-reaching harmonization of EU biotechnology legislation, were all founded on scientific perspectives on biotechnological risk. Competing claims over policy authority stemmed primarily from two sources. The first was the horizontal structure of the original safety laws, which was designed to replace sectoral legislation with respect to safety regulation and hence produced foreseeable conflicts with DGs Industry and Agriculture. The second was the perception that the strict standards and extensive scope of the biotechnology safety laws would hamper economic growth and innovation of the EU biotechnology sector, placing it at a competitive disadvantage at a critical time. This argument, advocated vigorously by DG Industry, was tailored to fit the overall economic agenda of the European Commission at the time (European Commission 1993b, 1994). For DG Environment, portraying a broad range of applications in agricultural biotechnology as a potentially uncontainable threat to the environment and human safety was therefore essential to justifying wide-ranging harmonization at the EU level (European Commission 1996).

Extensive attempts to consolidate competing perspectives on biotechnology through the establishment of multiple inter-service committees consistently failed to produce any common policy perspective or agreements on how to proceed. The resulting inconsistencies in EU policy development became glaringly visible with the adoption of the Novel Foods regulation in 1997 that signified a last meaningful albeit short-lived attempt to revert to sectoral legislation and introduce less rigorous safety standards. One of the regulation's especially contentious provisions was a simplified notification procedure for some genetically

modified food product that exempted these products from the stricter procedures of the horizontal safety directive. Yet, with the revisions of the biotechnology laws in 2001, the simplified notification procedure was eliminated and the application of the risk assessment, authorization and monitoring rules of genetically modified food and feed followed the general provisions of the new horizontal safety directive 2001/18. The new horizontal safety directive significantly extended the scope of the authorization procedure by including more than the direct and immediate effects of the genetically modified organisms on their environment. Risk assessment under the new directive further included cumulative long-term effects on human health and the environment, as well as an assessment of possible indirect and long-term effects (see also Lawrence et al. 2002). Equivalent procedures for risk assessment, authorization and monitoring of genetically modified food and feed were adopted two years later with regulation 1829/2003, replacing or repealing existing laws with less extensive scientific risk assessment provisions (European Parliament and Council 2003).

The Failure of EU Biotechnology Risk Management

One of the central innovations of the revised biotechnology safety regulations was the centralization of scientific risk assessment at the EU level. Established in 2002 by Regulation 178/2002, widely referred to as the General Food Law, the European Food Safety Authority (EFSA) was created to provide risk assessments under the various food safety legislations, including the revised biotechnology safety framework, and collect and analyse data towards this end. As stated in the recitals of the regulation, EFSA's recommendations are non-binding and the European Commission 'remains fully responsible for communicating risk management measures' under the various authorization procedures. Under the new regulatory framework, risk assessment and risk management were thus institutionally and politically separated spheres of decision making. 'Our raison d'être', the head of EFSA once proclaimed, 'is the separation of risk assessment from risk management' (Geslain-Lanéelle 2009, p. VII). While it initially appeared as if the 'establishment of the EFSA has particularly strengthened the risk-assessment phase of the decision-making process' (Caduff and Bernauer 2006, p. 165), it was instead its ambiguous and increasingly contentious relationship with the risk management phase of decision making that

emerged as the defining weakness of the new regulatory framework. Judging what types and levels of risks are acceptable, a Commission document on the general principles of risk analysis declares, is an 'eminently political responsibility' (European Commission 2000, p. 15). The General Food Law further elaborates in recital 19 'that scientific risk assessment alone cannot, in some cases, provide all the information on which a risk management decision should be based, and that other factors relevant to the matter under consideration should legitimately be taken into account including societal, economic, traditional, ethical and environmental factors'. In addition, the precautionary principle afforded decision makers at the risk management stage considerable leeway in how to interpret the scientific opinions provided by EFSA. While the formulation of the principle in the General Food Law was already recognized for its vagueness (Vos 2009, p. 254), the European Council (2010) soon issued detailed instructions on the application of the principle that further broadened the scope for interpretation and highlighted the role public acceptability and social costs of adopted measures (see also Vogel 2001, pp. 28–29). The overall effect of the precautionary principle on the regulatory procedure, Levidow (2001, p. 867) contends, is therefore not only that it 'increased the burden of evidence for safety, but also stimulated and requested new knowledge about more complex uncertainties'.

Under the separation of risk assessment and risk management, the task of interpreting and applying the available information at the implementation stage falls to the Standing Committee on the Food Chain and Animal Health (see article 58 of the General Food Law). This body is chaired by the Commission and composed of national representatives that supervise the Commission's implementing decisions under the comitology system (for a more extensive overview, see Vos and Wendler 2006a). By far the most important issues before the committee are the authorizations for cultivation or market introduction of genetically modified products for which ESFA provides scientific assessments. Between 2005 and 2015, the responsible section of the Standing Committee on the Food Chain and Animal Health met 72 time and took 86 votes, 65 of them delivered no opinion (European Commission 2005–2015). Reasons for the overwhelming number of abstentions and negative votes vary. As the minutes of the meetings reflect, however, member state representatives very frequently give reasons that indicate how little their votes are influenced by criteria related to the scientific risk assessment

carried out by ESFA. More commonly, reasons given include the lack of an agreed national position, hostile public opinion or other political considerations. If the committee does not adopt a positive or negative option with a qualified majority, the issue goes before the Council of Ministers. If the Council fails to adopt an opinion, as it frequently does, the decision falls to the Commission. In such cases, the Commission has traditionally followed the EFSA recommendations. With respect to files brought before the committee under regulation 1829/2003 on genetically modified food and feed, the failure of the EU regulatory framework was even more stunning. Over a decade after the regulation entered into force, the Commission (European Commission 2015b, p. 4) laconically observed, 'Member States have never obtained a qualified majority in favour of or against a draft Commission decision authorizing GMOs, whether for cultivation or for GM food and feed. The result has always been 'no opinion'.'

Acknowledging the unsustainable situation the new regulatory framework creates, in 2015 the EU formally severed the link between scientific risk assessment and risk management in the case of decisions concerning cultivation of genetically modified organisms. Toward this end, directive 2015/412 opened a legal path for member states to prohibit the cultivation of genetically modified organisms in part or all of their territory based on criteria explicitly not covered by scientific risk assessment. Member states were now effectively free to choose whether to accept or disregard EU authorizations for new products, or revoke existing authorizations, for virtually any reason (see European Commission 2015b, pp. 6–7). The changes of the formal procedure, the Commission argued, only reflected the established practice of some member states 'to vote on the basis of non-scientific grounds' (European Commission 2010, p. 3). The core provisions of the revised biotechnology safety directive, the cornerstone of the entire EU biotechnology policy and a law that one expert from the Commission's Legal Service once described as achieving 'a level of harmonization that is nearly complete' (Christoforou 2004, p. 671), had effectively been suspended. After two decades of intense policy deliberation, a centralized scientific risk assessment process that is frequently recognized as the most rigorous in the world (European Commission 2003) now ends with implementation decisions that require virtually no justification and affords member states a free choice to unilaterally disregard the outcome of the EU regulatory process.

EU Biotechnology Regulation Through the Prism of Policy Learning

Our central interest is to show that both the structure of policy problems and the structure of policy authority play an important role in how knowledge is used and deployed in the policy process. In the case of complex policy problems, a focus on the interplay of both factors can prove especially rewarding. The following sections will discuss the empirical case in terms of what the evolution and failure of EU biotechnology regulation reveals from such an analytical perspective.

The Bureaucratic Politics of Knowledge

A common claim in the literature on knowledge use and policy learning is that it yields an alternative interpretation of policy developments, which contrasts with more traditional approaches that focus on interests and power. An important lesson from the analysis of the early years of EU biotechnology regulation is that neither perspective offers useful insights in isolation. Knowledge use was integral to the institutional power struggles that characterized much of the early years of policy making in this area, and it proved most consequential in terms of how the structure of policy authority shifted over the decades. The larger argument here is that studies of policy learning will inevitably need to broaden the scope of analysis beyond the substantive questions of policy that are commonly the focus of this literature and inquire more systematically into the effects of knowledge use on structural characteristics of policy systems or sectors (see also Daviter 2015). The case of EU biotechnology illustrates how the mobilization of expertise can affect the ways in which the institutional structure of the policy sector change over time as policy authority shifts both horizontally and vertically. This is perhaps best exemplified by the creation of a new directorate general for Health and Consumer Protection inside the European Commission as well as the establishment of the European Food Safety Authority as an independent agency in the context of the expansion and revision of the original regulatory framework.

At the same time, overlapping policy responsibilities and contested claims of policy authority that characterized the early years of regulatory activity served as catalysts for knowledge use in the policy process. In the case of EU agricultural biotechnology, the conflict over

the jurisdictional boundaries of a new and expanding field of policy exemplified this dynamic. Horizontal safety legislation conflicted with several sectoral policy portfolios, especially in the areas of industrial and agricultural policy. The ensuing contest was only settled with the revision of the expanded biotechnology safety laws between 2001 and 2003, which incorporated long separate issues of food and animal feed. The horizontal safety laws depended almost entirely on the recognition of biotechnology as an uncertain and potentially uncontrollable risk to humans and the environment that required broadly applicable and consistently stringent safety standards across the EU. Accordingly, policy learning in the EU for a long time focused almost entirely on the methodology and data used to analyse long-term environmental effects. To the extent that policy making during this phase entailed reflexive learning, it pertained to the question of how to accommodate concerns for economic competitiveness and innovation with a regulatory approach that places a premium on highest levels of human and environmental safety from uncertain risks. The empirical analysis shows, however, that the question of how to address shifting problem boundaries and incompatible or competing problem perceptions was inseparable from the question of contested policy authority. The bureaucratic politics of knowledge sharply diminished the scope for reflexive policy learning from the start. Instead, the policy conflict initiated and sustained epistemic learning at an impressive scale, as competing coalitions continued to rely on better data and more refined methods of analysis to sustain their policy positions.

The Demise of Epistemic Policy Learning

What then accounts for the eventual demise of epistemic learning and the collapse of the regulatory framework? Risk regulation, Lodge (2009, p. 396) argues, often addresses multidimensional or 'inherently wicked issues' and involves value trade-offs that go well beyond the remits of scientific analysis. As argued above, such policy problems require a reflexive analytical approach that often does not square well with the type of evidentiary analysis provided by epistemic experts. If the policy process fails to reflect the conflicting requirements, policy learning can become dysfunctional. A main interest of this chapter has therefore been to inquire into the resulting demise of epistemic policy learning in the case of EU biotechnology regulation.

While the contest over the scope and nature of the regulatory framework initially ignited epistemic learning at an impressive organizational scale, the dynamics changed with the establishment of EFSA and the institutionalization of scientific risk assessment as the sole legitimate basis of policy implementation. As Dunlop (2017a, p. 30; 2017b) points out, the relationship between epistemic expertise and policy formulation is dynamic and often changes over the lifespan of an issue. Once the relevant scientific knowledge base is better understood and policy problems appear more tractable, the conditions under which epistemic learning is expected to function (much less dominate) become less prevalent. Scientific advisors often find that their findings and assessments are more frequently challenged or ignored as policy makers discover alternative knowledge sources or become exposed to divergent interpretations of available evidence (see also Dunlop and Radaelli 2013, pp. 608–609). But, the reverse logic may apply as well. As more policy knowledge becomes available, decision makers may feel that their problem understanding evolves in a more fundamental fashion and the policy problem now appears even less tractable than before. Since uncertainty frequently characterizes not only the epistemic basis of policy-making, but also the ramifications of the policy measures adopted, there may be grounds to incorporate a wider cast of relevant actors in the process of policy deliberation. All of these dynamics counteracted the dominant role of scientific risk assessment, such as in the case of EU biotechnology regulation.

Once the EU had adopted horizontal safety laws that extended across the entire Union, it required some level of centralized risk assessment and management. The core rationale behind the drive to create and expand highly harmonized horizontal safety regulation was the presumption of uncertain and potentially uncontrollable risk to the environment and human health. Once the battles over the proper scope of policy authority were won, the EU sought to depoliticize the policy process by creating an independent agency with the task of providing scientific expertise and assessments. Yet at this point, the perception of the policy problem across much of the EU was well-evolved, and the epistemic knowledge that the formal process provided did not reflect the much more diverse and incoherent concerns of different European constituencies. Reducing scientific uncertainty alone was not enough to predetermine policy choices. In such circumstances, the core question is whether the relationship between the epistemic community and

their policy principals can shift to a different mode of interaction before it becomes dysfunctional. In the terminology of Dunlop and Radaelli (2013), the role of epistemic expertise in the case of EU biotechnology regulation would have needed to shift to an arrangement more akin to 'facilitator' or 'contributor' of policy choices. As the empirical analysis reveals, policy makers were clearly seeing the need for a more interactive exchange of information and ideas than a strict succession from risk assessment to risk management could facilitate. With no formal basis or institutional structures capable of supporting such a shift in the use of epistemic expertise, decision making became dysfunctional. Implementation decisions at the risk management stage required political votes either in the comitology committee or in the Council. At both stages, votes were routinely cast on grounds other than what the legal framework demanded and required. Increasingly frustrated, the Commission (2005) called upon the member states to engage in more thorough debate and adopt a more deliberative approach to decision making, but the available forum did not facilitate deliberation of this nature in a systematic way. Instead, as Shaffer and Pollack (2006, p. 292) note, the disputes over biotechnology regulation turned into 'disputes over the legitimacy of EU law itself.'

That the fruits of epistemic learning had turned sour, and solid evidentiary knowledge was not enough to tackle complex policy choices, first revealed itself at the organizational level. While the separation of risk assessment and risk management is widely perceived as a cornerstone of the new regulatory framework, in regulatory practice the line between them became increasingly blurred. Inside the Commission, concerns that ESFA opinions were frequently so prescriptive as to put the Commission in a 'straight jacket' (Vos and Wendler 2006a, p. 119) were spreading soon after the new regulatory framework took effect. Commission officials began to attend ESFA working group meetings to signal informally when they felt that the scientific experts overreached. To manage the interface between the Commission and ESFA, a separate unit within DG SANCO was created. In 2005, the Council and Parliament adopted the administrative review clause, which was inserted in the regulatory framework to enhance the formal powers of the Commission to review ESFA decisions and recommendations (European Parliament and Council 2005). Overall, Vos and Wendler (2006b, p. 122) conclude, the strict separation between risk assessment and risk management prescribed by

the regulatory framework 'does not make sense and cannot be upheld in daily practice.'

Complex policy problems require knowledge use to take several different forms in the policy process. Technical knowledge and scientific expertise are essential to navigate causal complexity and reduce uncertainty. Yet, this type of epistemic learning does not provide the reflexivity needed to deal with the challenges of shifting problem boundaries, incompatible and competing problem perceptions and unclear or evolving evaluative criteria—in fact, it often stifles it. When epistemic expertise fails to adjust to the more diverse analytical requirements and political demands for knowledge, this type of policy learning quickly finds itself under siege. A particular interest of this chapter has been to show how conflicting analytical requirements are reflected at the organizational level of policy making. From this perspective, it becomes easy to see how the challenge of complexity creates interferences between different types of policy learning. Epistemic learning is a predominantly compartmentalized process that requires specialization and frequently leads to the delegation of policy functions. If policy problems are ill-structured and crosscutting with respect to the boundaries of policy authority, epistemic learning can easily turn dysfunctional if it becomes institutionalized in a way that arbitrarily delimits policy reflexivity. The centrality of scientific risk assessment in EU agricultural biotechnology policy is a case in point. This political project was more than twenty years in the making. Its main function was to fend off advances of competing policy considerations and institutionalize environmental and human protection as the core criteria of policy choice. In principle, the comitology procedure was meant to reflect the supremacy of scientific risk assessment at the stage of policy implementation. Instead, it revealed its analytical limitations. Resistance to genetically modified plants, food and feed across the EU had many sources. Over the decades it took the EU to establish and refine its regulatory framework, little understood scientific advances had come to be perceived in complex ways. Yet under the comitology procedure, policy choices were processed as if the issues under consideration were straightforward, unidimensional problems that were amenable to scientific assessment and evaluation. Eventually, policy implementation folded under the weight of concerns and criteria excluded from the regulatory process.

Note

1. This part of the theoretical argument is developed more extensively in Daviter (2015).

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Public Versus Non-profit Housing in Canadian Provinces: Learning, History and Cost-Benefit Analysis

Maroine Bendaoud

As shown by the editors in their introductory chapter, the concept of learning is far from novel in political decision-making. In a seminal article that has largely influenced the 'new institutionalist' turn in political science, March and Olsen (1984, p. 745) wrote: 'It is a frequent observation of institutionalism that institutions accumulate historical experience through learning'. However, the concept of learning remains fuzzy and is marginalized by many contemporary scholars of institutional change and welfare state reforms (see for example, Pierson 2004; Van Kersbergen and Vis 2014). The fuzziness is explained by the lack of a common understanding of 'learning' as a driver of institutional change, the actors involved in the learning process, the intentions of those actors, and other dimensions (Bennett and Howlett 1992; Dunlop and Radaelli 2013). As a result, the few researchers interested in the

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transformations of the welfare state who mostly use learning mechanisms do so in different and somewhat contradictory ways, adding to the confusion (Hemerijck 2013; Fleckenstein 2013; Gilardi et al. 2009; Weyland 2007). This chapter proposes a renewed examination of learning in decision-making, based on observations in the low-income housing sector.

At the outset, I introduce the empirical background of this study. With the objective to alleviate housing inequalities in terms of affordability and suitability, low-income housing assistance was a key social policy within the welfare state expansion in the post-war era. And yet, over the past decades, many institutional changes have taken place in the housing sector of numerous Western countries. That is also visible in Canada. Two major changes related to housing policy instruments are observed in Canadian provinces since the mid-1990s, when the federal government exited the low-income housing policy domain: (1) a move away from government-owned public housing; (2) a stronger support to non-profit organizations (NPOs) operating affordable housing (CMHC 2011, pp. 131–139; CHRA 2014, pp. 2–16). Therefore, I address the following research question: How can we explain the change of policy instruments in provincial low-income housing policy from 1995 to 2015? In order to offer a comprehensive and systematic analysis of the reforms, the chapter examines the low-income housing policy in British Columbia, Alberta and Quebec, from 1975 to 2015.

Researchers focusing on welfare states' transformations have identified different forces driving the reforms. Generally speaking, left-wing or social democratic governments are known to be stronger supporters of direct state intervention in the provision of services (Esping-Andersen 1990; Huber and Stephens 2000). Adversely, right-wing administrations prefer to rely on non-state actors, using private market instruments and NPOs (Morgan and Campbell 2011). 'Politics matter,' in other words, and that goes beyond political convictions or ideology. For instance, Bonoli (2013) uses Weaver's (1986) framework to highlight the political payoffs of selecting specific policy instruments, the ones enjoying a bigger popularity among the electorate. Besides these mainstream approaches in political economy, others point at cross-class and cross-party coalitions to explain the introduction of non-public schemes or policy instruments (Hausermann 2010), as well as to paradigm shifts such as the advent of neoliberalism or the social investment paradigm (see Morel et al. 2012).

As I demonstrate, a detailed comparative-historical analysis of the low-income housing sector in Canada challenges these explanations.

The case selection was done carefully to include three provinces known to have relatively distinct welfare regimes. On the whole, British Columbia, Alberta and Quebec are portrayed as being members of the liberal welfare regime as established by Esping-Andersen (1990), yet important variations exist. On the basis of several social and political indicators, British Columbia is the province that most closely aligns with the Canadian average. However, Alberta's profile reflects a stronger similarity to the ultraliberal American model. Adversely, Quebec exhibits greater affinity to European models since it has established social policy that move it closer to social democratic countries (Bernard and Saint-Arnaud 2004, pp. 228–229; see also Van den Berg et al. 2017). In short, Alberta is usually considered more conservative, whereas Quebec is considered more progressive in regards to social policy and more broadly government intervention. Given that Canada is one of the most decentralized federations by international standards, subnational governments enjoy great policy autonomy (Atkinson et al. 2013, pp. 10–12). This level of autonomy usually promotes diversity in the design of social policy implemented by subnational governments (Obinger et al. 2005, p. 30). Therefore, we can reasonably expect greater differences among the provinces of the sample with regard to their housing policy.

Policy convergence in the low-income housing sector deserves some explanation because the permanent shifts in policy instruments took place in all three provinces over a long-time frame (40 years), regardless of the party in power. Conservative and social-democratic administrations eventually supported non-profit groups at the expense of government-owned public housing projects. Thus, partisan politics cannot account for the results. Moreover, given that reforms in the low-income housing are not a top political issue in legislative assemblies or in the media, decision-makers do not gain much credit in the public sphere (see Suttor 2016, p. 184). The small percentage of the population benefiting from low-income housing programs[1] and their relatively weak political power, added to the lack of interest by organizations like unions and employers or political parties, made it difficult to engender any form of coalition for specific housing policy instruments. Finally, we are not witnessing any kind of paradigm shift driving the reforms at hand. The objective of the housing policy—providing access to affordable and suitable housing for needy citizens—remained unchanged. My argument is that the reforms with respect to housing policy instruments are mostly driven by the mechanism of 'instrumental policy learning' (May 1992, 1999).

As we will see below, policy elites learned and drew lessons about the economic as well as non-economic (qualitative) advantages of the non-profit housing model over the government-owned public housing formula. Given the inductive character of the research, the theoretical argument about what I term as a 'historically-driven' cost-benefit analysis will be more developed in the last section, in light of the empirical findings.

The chapter is organized as follows. First, I differentiate the housing policy instruments under study. Second, I briefly review the history of the low-income housing sector in Canada, from the strong federal government's presence to the large provincial autonomy since the mid-1990s. The third section will provide answers to understand the major changes in each province. I rely on primary sources such as official government documents and coded interview responses with housing experts ($n = 56$) inside and outside government that have firsthand experience with the policy shifts. That includes politicians and senior officials, but also long-time actors in the social housing community who have interacted with policy-makers.[2] I used a questionnaire to gather data on the reasons given by interviewees to explain the policy shifts, their ranking from the most to the least important reasons, and their frequency to identify the most compelling causes (Aberbach and Rockman 2002).[3] At the end of the interview, respondents' answers were re-read to them, in order to receive their final consent about the answers' content as well as their ranking. Since public documents usually present outputs or outcomes without providing the rationale behind, interviews were essential to better understand the actions and motives of policy administrators. While it may not be immune from criticism, that inductive research design remains the best way to open up the black box of policy-making, using archival records and questioning key policy actors such as top decision-makers. In addition, statistical analysis (box plots) are utilized to demonstrate quantitatively the most important drivers identified by respondents.

LOW-INCOME HOUSING: THE POLICY INSTRUMENTS AT HAND

In Canada, public housing is owned and managed by public organizations, whether at the provincial or municipal level. During the post-war decades, public housing projects featured high-rise buildings containing large number of units. Non-profit housing projects are owned and operated by the NPO itself, as a legal person, which generally has staff or

volunteers to run it. Most of the time, non-profit societies were founded by community groups, faith groups, service clubs, foundations, etc. Housing co-operatives are own collectively by their members/residents, who also take an active part in the management. The members do not make profit if the property and units are ever resold. Characterized by small-scale developments and a strong sense of community, non-profit and co-operative housing started to become more popular in the 1970 (CMHC 2011, pp. 130–134). Non-profit and co-operative housing are often grouped together under the label 'third sector' housing.

Overview of the Low-Income Housing Sector in Canada

Despite the fact that the federal government has always acknowledged that social or affordable housing was under provincial jurisdiction, it has made several interventions using its spending power (Banting 1990, p. 117). Many authors highlight the strong federal role in the development of public housing after World War II and then third sector housing in the 1970s (Rose 1980; Bacher 1993).[4] In fact, the strong federal role in low-income housing policy formulation and funding during the postwar decades was partly explained by the weak one that provincial governments had back then. Nevertheless, the situation has changed over time, with provinces building their institutional capacity and expressing their desire to acquire more control on policy direction in the 1970s (see Banting 1990, pp. 128–129). After a first round of federal-provincial global agreements in 1979 where provinces gained a bit more control over the delivery of low-income housing projects, the 1986 agreements have increased the provincial role a step further (Pomeroy 1989, p. 12). Provinces wishing to implement specific programs had to provide a minimum of 25% of their funding. 'However, the federal government maintained ongoing leadership in terms of policy, coordination and accountability' (CMHC 2011, p. 136). Yet funding remained an important issue for the federal government as the Canadian Mortgage and Housing Corporation puts it:

> The cost of subsidies to the federal government continued to rise because the costs to operate social housing projects [public housing and third sector housing] rose faster than rents. As the 1990s progressed, successive federal budgets gradually reduced the growth rate of the social housing funding envelope, with new program delivery ending in 1993 as

government began to shift away from ongoing long-term subsidies and toward an increase in up-front capital contributions […]. (CMHC 2011, p. 136)

In 1996, the withdrawal of the federal government from the low-income housing domain has gone even further. Ottawa offered provinces to completely transfer to them the management and administration of low-income housing projects cost-shared with each province as well as projects solely funded by the federal government, with the only exception of housing on Native reserves (CMHC 2011, p. 137). Among other things, this has clearly marked the end of the federal leadership in terms of designing and substantially funding low-income housing policy programs in the country. While most of the provinces have agreed to the federal transfer, Quebec and Prince Edward Island have still not entered into agreement with the central government to this date. British Columbia signed the federal deal in 2006 and Alberta did as well in 2016. These two agreements exclude unilateral federal co-operative housing projects (CMHC 2011, p. 137; Canada and Alberta 2016).

After the termination of funding commitments for new low-income housing units in 1994, the federal government has made a 'return' in the sector in the early 2000s. Among its most important interventions are bilateral agreements between the federal government and the provinces, concluded from 2001 to 2002 onward through the *Affordable Housing Initiative* (AHI)[5] and the *Investment in Affordable Housing 2011–2014* (IAH).[6] Since the re-engagement of the federal government into low-income housing, provinces have gained much more autonomy than they did through the 1979 and 1986 global agreements. With regard to the AHI, 'P/T [provincial/territorial] governments, through their housing agencies, design the programs and establish priorities, which may relate to special needs groups (for example, seniors or off-reserve Aboriginal people)' (CMHC 2011, p. 137). The IAH framework has also enlarged provincial autonomy in respect to policy instruments selection: 'P/Ts have the choice to maintain existing programs and/or introduce new initiatives to meet local needs and priorities' (CMHC 2011, p. 139).

All in all, since the federal government withdrawal in the mid-1990s, provinces have more autonomy and decision-making power in designing new housing programs. From a theoretical perspective (see Ferejohn and Weingast 1997, p. x), that autonomy could have led to different provincial trajectories, especially given their distinct approaches to

social policy. One option could have been not to develop new programs and just lengthen the waiting lists for the existing stock of social housing units. Another, more radical path, could have been to sell the social housing stock to actual tenants as Thatcher did during the 1980s in the UK. However, provincial governments of British Columbia, Alberta and Quebec decided to offer a stronger support to NPOs in building new units for households in need, at the expense of the government-owned public housing formula. How do we explain these similar patterns? The next section provides some answers, but will start by presenting quantitative data.

Provincial Housing Policy

The data shown in Table 8.1 present an overview of the stock of low-income housing units receiving financial assistance from provincial governments, over a time span of forty years.

While the stock of publicly-owned units did increase from 1995 to 2015, that increase was largely outperformed by the growth of units owned by third sector groups. The purpose of this section is to understand the drivers and rationales behind the government decisions that

Table 8.1   Low-income housing units in Quebec (QC), Alberta (AB) and British Columbia (BC)[a]

	Public sector			Third sector		
	QC	*AB*	*BC*	*QC*	*AB*	*BC*
1975	14,466	11,193	6845	0	0	5026
1995	64,551	36,958	8032	14,879	1386	17,023
2015	71,317	42,930	11,112	38,800	11,578	57,335[b]

[a]Units are counted cumulatively, meaning that the data reflect all the units or households supported by the provincial housing agency/ministry at each moment in time, with or without federal support through CMHC. In other words, the data include joint programs involving both levels of government through cost-shared agreements or unilateral provincial programs. The two types of housing ownership, namely public sector and third sector, refer to the type of organization owning the units. Completed units have been used whenever possible, rather than housing starts (i.e. units under construction). Provincial annual reports for 1975 and 1995 were used to gather the data, with minor exceptions. Most of the data for the year 2015 were provided to the author by officials from the three provincial governments
[b]That number includes approximately 15,000 non-profit housing units that were funded solely by the federal government and were transferred to the government of British Columbia in 2006 (data provided by T. Bennett from the BC government)

have resulted in the two fundamental shifts to housing policy instruments demonstrated quantitatively in Table 8.1. The next subsections will be dedicated to each province, using primary sources such as official government documents and interviews statistics. All the interviewees' responses cannot be transcribed here, but the box plots reflect the common drivers identified in Quebec and British Columbia. These two provinces will be presented first.

Quebec

Quebec government has maintained the construction of government-owned public housing until the early 1990s, under the governance of both right-wing Liberal party and social-democratic Parti Québécois. The electoral victory of the Parti Québécois in 1994 coincided with the disengagement of the federal government discussed above, which has triggered the reflection on the future of low-income housing in the province. The provincial housing agency produced a policy paper in 1997 (SHQ 1997), released the same day of the 1997–1998 provincial budget. That budget had the objective to improve public finances and maintain the path towards zero deficit. The purpose of the policy paper was to assess the different policy instruments implemented over time. Public housing was the one receiving most criticisms: 'The high costs of public housing programs impose significant limits to the volume of interventions that the State can achieve […] Thus to accommodate a single person on welfare in a public housing unit, the government spending reaches \$680 per month if it is an existing public housing unit and would be \$1062 in the case of a new unit' (SHQ 1997, pp. 4–5). A preference for third sector housing is visible throughout the policy paper, underlining the skills and expertise of community groups (SHQ 1997, pp. 6–18). Even though numerous co-operative and non-profit housing projects had also been supported since the late 1970s, parallel to public housing complexes, the definitive shift towards third sector housing was made official with the introduction of AccèsLogis program in 1997, after the publication of the policy paper. AccèsLogis provided funding to third sector initiatives in developing new affordable housing units. That shift took place under the social-democratic leadership of the Parti Québécois, but AccèsLogis has remained the main affordable housing program ever since (SHQ 2015, p. 33), irrespectively of the change of government. Figure 8.1 presents the drivers or reasons identified by the 19 interviewees who are Quebec social housing experts, when they were asked to explain the shift towards third sector housing.
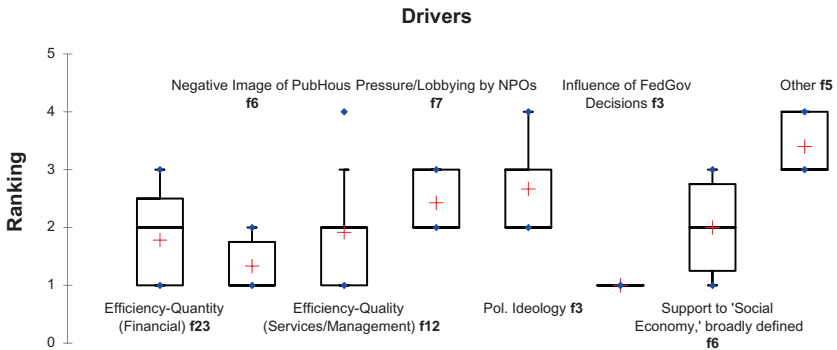
Fig. 8.1 Responses from Quebec interviewees

The data in Fig. 8.1 synthesize the answers of the interviewees split into different categories of drivers (*X* axis). The ranking feature of the questionnaire allowed me to measure the importance of each response, attributing a specific score (*Y* axis): the closer to 1, the more important is the driver. The frequency of each driver is indicated after the *f*.[7] The crosses in the box plots represent the mean and the central horizontal bars are the medians. On the whole, efficiency is clearly the main driver, but I break it down into two different categories here, depending on the content of the interviewees' responses. Indeed, efficiency in service delivery can be both understood as 'the highest possible quality and quantity of that service from a given level of resources' (Le Grand 2007, p. 9). The driver *Efficiency-Quantity (Financial)* includes answers that whether argued that producing housing units through NPOs is less costly for government, or that public housing is too costly. The driver *Efficiency-Quality (Services/Management)* refers to the skills and expertise of third sector groups. That driver focuses on non-economic aspects of low-income housing, such as providing extra services to needy citizens (for example homeless, women fleeing abusive relationships, frail seniors). It also includes answers that pointed to whether the weak capabilities of public organizations or the strengths of third sector groups in developing and managing housing projects. In a nutshell, the answers of respondents counted under that driver emphasized that NPOs are good or even 'better' housing providers than public organizations. The driver *Negative Image of Public Housing*, which also refers to efficiency in a nonfinancial manner, is presented apart given that it is a very specific reason

mentioned by several interviewees. Quebec government publications have dealt more than once with the problems encountered in the post-war large public housing projects where a concentration of poverty was criticized, especially in housing complexes for families (see for example, SHQ 1980, p. 39; 1992, p. 18).

Admittedly, other drivers were mentioned by Quebec housing policy experts. The pressure or lobbying by NPOs and community groups is one of them. The third sector was well established in the 1990s. In fact, prominent actors of the sector drafted an affordable housing program in the wake of the federal government disengagement (CQCH and AGRTQ 1993). That program was first tried as an 'experiment' with the City of Montreal, but eventually became AccèsLogis after a series of adjustments were made, especially during the 1996 Economy and Employment Summit (EES). That summit is also connected to another driver, *Support to 'Social Economy'*. Indeed, one peculiarity of Quebec respondents in justifying the adoption of the third sector housing model is a reference to the concept of social economy, broadly defined, almost as a characteristic of Quebec society more generally. That is addressed by Quebec scholars who make a clear connection between the Quebec social economy approach, the 1996 summit and the AccèsLogis program launched in 1997 (Ducharme and Vaillancourt 2012). And that goes beyond the left vs right wing political debate in that province. On that matter, partisanship provides very little explanatory leverage for the policy shifts as exemplified by the driver *Political Ideology* in Fig. 8.1. Even the former Director of the association of public organizations managing government-owned housing has said:

> I am not sure that a left-wing policy in housing would necessarily mean institutionalizing housing tenures, that the only salvation of social housing lies in public housing. I am not convinced that this is the case. Imagine that we would have a Québec solidaire [Quebec most left-wing party] government, I am not sure that it would automatically give more power to the municipal housing authorities.[8] (phone interview, Denis Robitaille, September 2016)

British Columbia

In British Columbia, the social-democratic NDP government in power from 1972 to 1975 has built many public housing projects during its mandate. Yet the production of public housing complexes terminated

immediately after the right-wing Social Credit party won the provincial election in December 1975. That party wanted to limit the direct state intervention in housing and has chosen to provide grants to NPOs instead (Rose 1980, pp. 83–84). But note that the NDP government had also strongly supported third sector groups during its mandate (British Columbia Department of Housing 1975, p. 6). The return of the NDP government from 1991 to 2001 could have possibly resulted in the re-establishment of the government-owned public housing program. First, that party did produce public housing units in the 1970s. Second, social-democratic parties have historically favoured more direct government intervention. Yet that did not happen. In 1994, when the federal government withdrew, the social-democratic NDP government introduced HOMES BC to 'showcase the creativity and expertise of B.C.'s non-profit sector' according to the then housing Minister (British Columbia Department of Housing 1994, see Message from the Minister). Preference for the non-profit housing approach continued under the governance of the British Columbia Liberal Party since 2001 onward, as highlighted in the provincial housing strategy (British Columbia 2006, pp. 4, 7–8). That is also visible in the data provided in Table. 8.1 (see box 2015), even if one subtracts the non-profit housing units funded solely by the federal government for which the administration was transferred to the government of British Columbia in 2006 as mentioned earlier.[9]
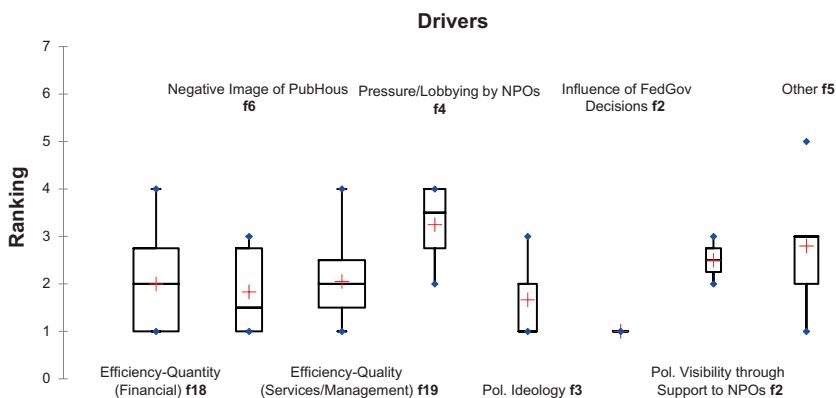
Fig. 8.2   Responses from British Columbia interviewees

How can we explain the cross-party consensus in British Columbia with respect to the preference of the non-profit model over government-owned public housing? That question was asked to 17 respondents who are the most knowledgeable about the evolution of housing policy in their province. As in Quebec, findings show that the efficiency reason is the most compelling. Yet, the *Efficiency-Quantity (Financial)* driver about the cost has roughly the same explanatory leverage than the *Efficiency-Quality (Services/Management)* driver. Whereas in Quebec, the lower cost of non-profit housing was deemed more important in the policy shift than the skills and expertise of the community groups. Several respondents in British Columbia emphasized that in comparison to public organizations, NPOs have stronger ties to local communities, that they are closer to the individuals they house, which is better because the NPOs tailor services to their needs. With regard to the management aspect, the opinion of the CEO of the provincial housing agency is quite telling:

> Here it's a history of voluntarism, a history of the non-profit sector, they're the ones that innovate and create. They're not levels of government that are tied to bureaucratic rules around procurement and governance. A lot of times when you have bureaucracies and the legal requirements of bureaucracies it inhibits innovation and creativity. And you don't get that in the non-profit sector [...] Government shouldn't own and manage housing. It needs to play different roles like financing, facilitation, administration of programs, but not the actual delivery. (interview, Shayne Ramsay, Burnaby, January 2015)

The driver *Negative Image of Public Housing* is also part of the story, especially with regard to the concentration of poverty which undermined the social acceptance of public housing. As in Quebec, the driver *Pressure/Lobbying of NPOs* was mentioned. The only difference with that province is that there was no reference to an endorsement of the concept of social economy. Instead, the driver that was mentioned in British Columbia and not in Quebec is the *Political Visibility through the Support to NPOs*, but to a very small extent as demonstrated in the frequency ($f2$).

Alberta

Alberta followed a relatively similar path to Quebec. The major trend until the early 1990s was to develop government-owned housing. That trend was set by the Social Credit party but mostly pursued by the Progressive Conservative party in power from 1971 to 2015. Both parties

promoted right-wing politics. When Alberta Premier Ralph Klein won the 1993 election on the basis of eliminating deficit and streamlining government activities, it provoked a rupture in the 'traditional' course of action within the low-income housing domain. The annual report of the ministry mentioned the objective to 'develop a strategy to facilitate increased private sector (including non-profit) involvement in the delivery of social housing' (Alberta Municipal Affairs 1994, p. 7). But the real priority was to achieve dollar savings; reforming housing policy was low on the agenda. In fact, that strategy did not materialize before the turn of the century since no capital funding for new housing units was made available until then. Klein's conservative approach in the 1990s was the following: neither private nor public housing, no new unit period.

Ever since capital funding resumed around 2000, the Alberta government did not focus its housing dollars on third sector groups. The preferred method—even when Premier Klein was still in office—was to issue requests for proposals (RFPs) where private companies, NPOs and organizations affiliated to the public sector were invited to submit their proposal to obtain funding in order to produce new affordable housing units (Alberta Seniors and Community Supports 2005, p. 33; Alberta HUA 2010, pp. 11–14). The detailed analysis of the total units developed since the government has resumed its capital funding for all forms of affordable housing—from 2000 to 2015—reveals that NPOs have produced more units as compared to other sectors even though the difference with the private sector is thin.[10] So why did that happen?

A statistical analysis is not presented for the Alberta case, given that many interviewees had no reason to explain the higher number of units held by NPOs. In fact, the vast majority of housing experts, both inside and outside government, were unaware that the NPOs had more units. Therefore, that was clearly not an intentional and thoughtful policy on the part of the government, but rather an incidental result. The general impression was that the three sectors (public, third, private) had received a share of the funding to create new units, without a clearly dominant one. But that was a novelty in itself, to include the third and private sectors to such a great extent, as opposed to the traditional public sector which used to possess most of units built until the early 1990s (see Table 8.1). When questioned as to why the government of Alberta did not want the public sector to own most of the new affordable housing units, as it did throughout the 1970s and 1980s, the assistant deputy minister provided the rationale:

The provincial government did not support increasing the number of owned units, given the opportunity to use grant programs under a partnership model that would provide more units in multiple communities with multiple partners, in a more timely fashion than direct government builds. (interview, Mike Leathwood, Edmonton, May 2015)

This is what the former minister responsible for housing had to say, pursuing the same line of reasoning but focusing on RFPs, the 'competitive grant process':

From supporting growing communities like Fort McMurray to helping low-income seniors remain in the areas they helped establish, our approach has been to focus on partnerships backed by a competitive grant process. This has allowed us to leverage tax-dollars with partners' support and build more housing units for less. Like all ministries, Housing and Urban Affairs also took action in 2009 to look internally at ways to more efficiently provide services to Albertans. The collective savings realized through these efforts helped to lower the deficit and improve the government's fiscal position. (Alberta HUA 2010, p. 4)

One the one hand, RFPs in Alberta demonstrate that the public sector has not been dismissed for ideological reasons. Among the three provinces, Alberta is the only one where public sector organizations have developed a substantial number of new affordable housing units since the federal government disengagement. That may seem counter-intuitive given the right-wing orientation of the Progressive Conservative party in power until 2015. Still that supports the claim that partisan politics have not really affected the changes in housing policy instruments. On the other hand, we can conclude that if NPOs have realized more affordable housing units, that is mostly due to the number of projects submitted through RFPs. I asked Karen Stone, former director of the Alberta Interagency Council on Homelessness and previously director of the BC Non-Profit Housing Association, if the greater number of units held by NPOs since 2000 reflects a preference by the Alberta government for the non-profit model:

It's hard to say that it's because non-profit organizations demonstrated efficiency, which resulted in investment on the part of government towards these organizations. I don't think it's that at all. If I look at the cycle around the homelessness funding, it was more about expediency, you know… who was available to do this development and who steps up with

a proposal, rather than a strategic move by the government to develop the non-profit sector. (phone interview, Karen Stone, June 2015)

Conclusion: Learning, History and Cost-Benefit Analysis

The detailed examination of provincial housing policy in three Canadian provinces, focused on the 1995–2015 period, has revealed that (1) decision-makers have largely turned away from the 'traditional' public housing model and (2) chosen to support the development of new affordable housing through third sector providers instead. That convergence is rather 'unexpected' in a federal context where provinces have more autonomy than ever. In fact, governments with sharp ideological differences among the three provinces as well as inside each province have adopted or pursued similar kinds of interventions. So how can we explain the two policy shifts? Even though the three cases are not identical in every point, the main driver of the reforms was similar: government-owned housing was not considered to be the most efficient option anymore, for economic as well as non-economic (qualitative) reasons.

Within the public policy literature, the mechanism of instrumental learning seems to best explain the resulting housing policy shifts. Other theories or mechanisms explicitly recognize learning as an agent of policy change (for reviews see Dunlop and Radaelli 2013; Moyson et al. 2017), but this one better captures the observations in the low-income housing sector. May (1999, p. 23) defines instrumental policy learning as 'new understandings about the viability of policy interventions or implementation designs'. To observe the mechanism, we must proceed as follows: 'Demonstrating instrumental learning requires evidence of 'increased intelligence and sophistication of thought'[11] about the policy or implementation design' (May 1992, p. 335). An indicator of instrumental learning is the policy elites' analysis and evaluation. Policy elites' analysis may be formal or more *ad hoc* resulting from trial-and-error of past policy experiences (May 1992, 1999). One of the techniques used to analyze programs is the cost-benefit analysis (May 1999, p. 26).

Building upon May's work, I conclude this chapter by proposing a new conceptual framework around policy learning where cost-benefit analysis is construed or understood through a historical perspective. That is what I term 'historically-driven' cost-benefit analysis. The 'traditional' cost-benefit analysis (see for example Boardman et al. 2011) relies

primarily on calculations of quantified, often monetised values to achieve an optimal allocation of resources. Instead of insisting only on the quantification of monetary values, the 'historically-driven' cost-benefit analysis elaborated here focuses on the historical context, emphasizing learning based on past experiences. Another way to mark the distinction between the two types of cost-benefit analysis would be to say that the 'traditional' type takes its source from economics and mathematical abstractions, while the 'historically-driven' version is conceived as a dynamic process much closer to 'real world' politics and governance. Time but mostly experience and knowledge about all policy instruments are way more important in the line of argument pursued here, than what is usually considered in the strands of the literature on new public management (see Lynn 2006) and on traditional cost-benefit analysis. These strands of the literature focus on the search for efficiency and so does the historically-driven cost-benefit analysis presented here, but they differ in important ways.

Bluntly put, policy-makers' answers to my questionnaire pointed to the search for the best use of resources, in order to explain the shift from public sector housing to grants to NPOs. Without necessarily being 'optimal,' that alternative solution was deemed more efficient than public housing from a cost-benefit analysis when the number of households supported is compared against the cost of each program. The number of households supported is one thing, but the benefits of the third sector housing model also include other qualitative or non-economic aspects. To be clear, no housing policy-maker interviewed has forgotten that public housing was a possible solution. Indeed, the preference for non-profit housing in Quebec and British Columbia was a deliberate decision *in reaction* to the public housing model, to its perceived failures such as its expensive cost and the concentration of poverty. The strengths of the NPOs were also put forward, including the extra services offered to vulnerable citizens and knowledge about their specific needs, in addition to the management expertise of NPOs as housing providers. Policy-makers' analysis reflect the institutional accumulation of experiences and knowledge, rooted in policy history. Other reasons or drivers were mentioned (see Figs. 8.1 and 8.2), but the vast majority of interviewees—many of whom are retired now and can speak freely—have focused on the weaknesses of the public housing formula or the strengths of the NPOs to justify the stronger support to the latter. Such consensus cannot be random.

Housing policy-makers did not reach their conclusions by producing abstract equations about efficiency, but largely through learning based on experiences after several decades of policy implementation. And those 'conclusions' are not fixed, they are time- and space-specific. On that matter, the Alberta case provides a good example. NPOs became the main vehicle to produce new affordable housing units, but that is mostly explained by the dynamic around the grant process and its outcome. The non-profit model in itself is not considered by Alberta policy-makers as being superior. However, the introduction of NPOs and private companies had the objective of doing better than the pre-1990s period when the traditional public housing formula was predominant: to produce more units and faster. All in all, the argument pursued in this chapter is not so much that housing policy-makers became more skilled at cost-benefit reasoning, or that they became more familiar with the logic of comparing costs and benefits in order to reach conclusions. Based on archival records and interviews conducted in the three provinces, it would be fairer to say that given their knowledge and the information they held at the time, post-war policy elites thought that building large public housing projects was a valid solution following a cost-benefit analysis. In other words, that was a rational solution to meet the housing needs of impoverished populations. Yet, in contemporary days, it makes more sense to favour the non-profit housing model. Using lessons from policy history and new information about the different housing providers, policy elites can substantiate their cost-benefit analysis which, as I've shown, do not only focus on monetized values.

Without rejecting other theories claiming that ideology or party politics matter in welfare provision, my findings suggest that major, enduring reforms to provincial housing policy were not about 'politics.' The policy shifts studied here lead us to draw attention to other, understated dynamics around governance and budget management. The main conclusion of the chapter is that in light of their formal or *ad hoc* 'historically-driven' cost-benefit analysis, decision-makers have changed the course of public action, changed their preference of policy instruments in low-income housing assistance. Cost-benefit analysis about possible alternatives is the basics of policy analysis or evaluation (Bardach 2012, pp. 34–36; Stokey and Zeckhauser 1978, pp. 134–158) and policymaking more broadly (Smith and Larimer 2013). However, and pretty sadly, none of the popular theories of institutional change take this kind of evaluation very seriously (see Mahoney and Thelen 2010, 2015).

That is also true for studies of welfare state reforms, where votes, coalitions of actors and ideational or paradigm shifts are considered more important. In fact, the search for efficiency has typically been regarded as an outcome explained by other factors (for example new public management). In the case of affordable housing though, that is more of a constant as exemplified by the construction of large but modestly built public housing complexes, in order to make economies of scale in the post-war decades. Yet the same search for efficiency gains now explains the new policy choices.

The historically-driven cost-benefit analysis and its learning component has a potential of great applicability. It is more grounded into 'real world' governance and decision-making than the traditional type of cost-benefit analysis seeking optimality. This traditional version, as well as the new public management literature referring to efficiency, rarely take into account the historical institutional context, social processes and the intertemporal aspects of politics. Overall, the chapter makes a strong case that public administrations can learn about the benefits or advantages of specific policy instruments over others. That being said, the senior officials interviewed are fully aware of the strengths and weaknesses of each policy instrument—which also means the weaknesses of the non-profit housing model that were not discussed here—and that clearly results from the accumulation of knowledge. Because of political priorities and the housing policy structure inherited from the past, some provinces were slower to reorient their policy direction. But the fact remains that they have all tried to do better at time 1 than at time 0. Obviously, since we are talking about big institutions here, they move quite slowly … but surely.

Notes

1. 'Social housing accounts for about 5–6% of Canada's dwelling stock […]' (OECD 2014, p. 83).
2. The 56 interviews were conducted from January 2015 to April 2017. Three out of four interviews were done face-to-face and the rest on the phone, yet all interviews were recorded with the authorization of respondents. The full list of interviewees (names, occupations, background, etc.) can be provided upon request to the author.
3. All the quotes from Quebec government publications and francophone interviewees were translated by the author from French to English.
4. The federal government has also supported private entrepreneurs through a variety of means to encourage them to build rental accommodation for low- to moderate-income households (CMHC 2011, p. 131).
5. The purpose of AHI was to 'to create new affordable housing units via up-front capital contributions, rather than ongoing subsidies' (CMHC 2011, p. 137).
6. Long discussions with public and private housing stakeholders 'on how best to use federal funding from 2011 to 2014' have resulted in IAH. Senior levels of government have concluded new cost-shared agreements within the IAH framework, again with the requirement of provinces to match federal contributions as in the AHI (CMHC 2011, p. 139).
7. Given that the questionnaire did not include predefined response options, respondents' answers were expressed in their own words. This sometimes meant that two different answers related to the same driver. In rare occasions, the same score was also attributed to two drivers, when a specific respondent's answer encompassed more than one driver.
8. In retrospect, public housing in Quebec evolved from large housing projects in the 1960s towards smaller ones in the 1970s and 1980s (SHQ 1980, p. 39; 1992, p. 18), and then was abandoned in the mid-1990s. In 2002, the Parti Québécois authorized the public organizations managing existing public housing units to take part in the development of new affordable housing units. However, those public organizations must compete with third sector groups for available funding and they are subject to the same rules with regard to their expected contributions to develop housing projects. The data obtained from Quebec officials (see Table 8.1), clearly demonstrate that public organizations are lagging behind third sector groups in terms of new affordable housing units realized between 2002 and 2015.
9. With regard to the increase of public sector units from 1995 to 2015 in Table 8.1, it should be noted that these units are owned by government

but mostly managed by NPOs (for example special units dedicated to people who are homeless or at risk, group homes, etc.).

10. 10,641 units in the third sector, 9882 units in the private sector and 7753 units in the public sector. Data provided by M. Leathwood and R. Hubele from the Alberta government.

11. May refers to the writings of Etheredge (1981) on 'government learning'.

APPENDIX 8.1: LIST OF INTERVIEWS

Interviewee code	Official capacity and organisation	Date
Mike Leathwood	Alberta ministry responsible for housing (2008–2015), Assistant Deputy Minister. Capital Region Housing Corporation (HMB, public organization), Edmonton, Alberta (2002–2007), Director. Grand Spirit Foundation (which became an HMB, public organization), Grande Prairie, Alberta (1993–2002), Director. Alberta Housing Corporation (1987–1993)	May 2015
Shayne Ramsay	BC Housing (2000–2015), CEO. British Columbia ministry responsible for housing (1995–2000). Ontario ministry responsible for housing and City of Toronto (1987–1995). Interview in person in Burnaby, BC	January 2015
Denis Robitaille	Regroupement des offices d'habitation du Québec (2002–2015), Director (*Association of Quebec municipal housing authorities*)	September 2016
Karen Stone	Alberta Interagency Council on Homelessness (2013–2014), Director. British Columbia Non-Profit Housing Association (2007–2013), Director. BC Society of Transition Houses (2004–2006), Director	June 2015

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Blocked Learning in Greece: The Case of Soft-Governance

Thenia Vagionaki

One original angle to examine policy learning as defined by the editors of this volume is to explore under which circumstances policymakers acquire new knowledge to develop innovative solutions or fix policies that do not perform well (Chapter 1, this volume). In the context of Europeanization (Radaelli 2008), learning is particularly important in domains where the European Union (EU) does not legislate but rather encourages the member states to learn from one another via specific processes. The main process in this non-legislative EU activity is the Open Method of Co-ordination (OMC) (Heidenreich and Bischoff 2008; Heidenreich and Zeitlin 2009) and its succeeding instruments such as EUROPE 2020 (Copeland and Daly 2014; Zeitlin and Vanhercke 2014).

The idea behind open coordination is conceptually simple national representatives participate in various OMC policy domains with tools such as fixing general goals, peer review meetings, exchange of best

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practices, annual reporting exercises, adoption of indicators, etc. Through their involvement with such non-binding instruments they acquire new ideas and knowledge from the experiences of other peer countries which they ideally go on to transfer and eventually incorporate into their respective national policy making systems. This transfer of knowledge, however, occurs within a specific national setting which can either enhance or obstruct the diffusion of ideas from reaching national organizational and political decision-making centers.

This chapter explores how particular national administrative, institutional and political features impede the transfer of knowledge and eventually block learning via the OMC. Blocked learning is a particular type of learning which occurs when individual actors (or group of actors) acquire some knowledge, but this cognition is not embedded into the organization which they belong to. Learning remains at the level of the individual actors who participate in the OMC and does not influence the organizational behavior. This is primarily due to domestic constraints, institutional structures, political interests etc. which obstruct the diffusion of information (Dunlop 2014; Zito and Schout 2009; Zito 2015). For instance, blocked learning occurs if national administrations are inflexible and do not provide room for maneuver for their delegates to diffuse the knowledge acquired. Likewise, it can also occur when political hierarchies have no interest in expert knowledge and rather rely on their own political preferences and goals.

This chapter contributes to the literature by analyzing the process of learning in Greece in the context of the OMC and its succeeding instruments of soft governance. It presents an in-depth case study based on the triangulation of documents produced concerning the Greek participation in the OMC, interviews with different national actors and secondary literature regarding the field of poverty and social exclusion (see Appendix 9.1). Greece is a case of blocked learning, i.e. there is acquisition of new knowledge by the actors participating in the OMC but features of its political system block the transfer of new ideas to the organizational level (and subsequently into new policies). Precisely, learning from other countries in Greece is blocked by the political interests of participating actors, clientelism, problems in the administration, the over-centralized political system, and the lack of inclusion of private actors. This contribution thus provides new insights on the processual dimension of learning, notably on how specific elements impede knowledge utilization.

Theoretical Framework: Defining Blocked Learning

During the past two decades, the OMC literature with respect to policy learning has burgeoned (Borrás and Radaelli 2014; Radaelli 2008, 2009). Nonetheless, the main bulk of the literature on soft law instruments deals with policy learning primarily as a mechanism (Moumoutzis and Zartaloudis 2016) to assess policy change (Hartlapp 2009; Heidenreich 2009; Kröger 2009). Ex ante, we should not associate the acquisition of knowledge with domestic policy change per se (Levy 1994). Although learning might be a precondition for policy change, it is not a sufficient one (Hemerijck and Visser 2003): learning at the domestic level occurs within a particular environment and is therefore shaped by the various endogenous settings of that environment. Here, policy learning is considered as the dependent variable. For the purposes of this chapter, policy learning is defined as 'the acquisition of new relevant information that permits the updating of beliefs about the effect of a new policy' (Braun and Gilardi 2006, p. 306).

Domestic Features Act as Obstacles for Policy Learning

The notion that domestic characteristics act as constraints to policy learning has been around since the early days of this literature. Levy refers to the centralization and bureaucratization of the political system as constraints to learning (Levy 1994, pp. 289–290). Referring to organizational learning, Busenberg argues that institutional arrangements can promote or constrain learning (Busenberg 2001, p. 175). Béland recognizes that institutions and ideological commitments matter with respect to social learning (Béland 2006, p. 564). Institutional legacies, state traditions and a potential dominant legal culture are three elements which according to Radaelli should be taken into account while assessing the transfer of policy lessons (Radaelli 2008, p. 250). Howlett linked the promotion of policy learning at the domestic level with the capacity of public administrations (Howlett 2009). Administrative capacities are also an important factor regarding the influence of EU governance network instruments according to Schout et al. (2010). They refer to bureaucratic rules and operating procedures as well as staff training, specification of output and tasks within organizations and the presence of horizontal coordinating structures as necessary preconditions for the promotion of such EU governance instruments (Schout et al. 2010, pp. 161–164).

More recently, Susana Borrás (2011) argues that organizational capacities determine the degrees of policy learning and change at the national level. Specifically, she argues that policy learning depends on the capacity of organizations to combine knowledge sources from within and outside that system (Borrás 2011, p. 728). The term capacity here broadly refers to specific structures and procedures already operating within an organization with respect to the management of information and evidence.

Similarly, within the broader Europeanization literature, it has been argued that policy instruments such as recommendations and indicators were unlikely to lead to learning, unless there is a good fit between them and national institutions (Kröger 2009). Others suggested that due to particular domestic administrative and organizational structures it is difficult for OMC information to be transferred effectively within ministerial hierarchies (Radaelli 2004; Salais 2004). In the context of the peer review program of the European Employment Strategy, some studies have also pointed to institutional and administrative features (Casey and Gold 2005) as well as the broader political system that critically affect policy learning processes (Sabato 2012) at the national level.

Thus, knowledge transfer, via the OMC, is more likely to occur when the domestic institutional conditions of a member state are favorable towards the diffusion of new ideas and best practices. However, there has been little empirical research done on which specific features obstruct learning via the OMC, especially regarding Greece.[1] The empirical indications presented in the remainder of the chapter aim to empirically address the above issue.

Defining Blocked Learning in the Context of the OMC

As we saw, the policy learning literature has pointed out that features of the political system can potentially act as obstacles to policy learning practices. This process has been defined as 'blocked learning' by authors of policy learning typologies (Zito and Schout 2009, p. 1110; Zito 2015, p. 32). For Dunlop and Radaelli (2013) blocked learning is a pathology of learning in hierarchical contexts (Dunlop 2014, 2017). Empirically, we should observe blocked learning, in the context of the OMC, when administrative, institutional and sociopolitical aspects in the political system of a participating country block the transfer of the newly

acquired knowledge into policy outputs (Dunlop 2014, p. 216; Zito and Schout 2009, p. 1110). Blocked learning focuses on understanding policy learning processes and what stymies them. The newly acquired information remains at the level of the individual actors who participate in the OMC. A national representative can take part in EU-level committees or peer review meetings, for example, and learn about a particular policy successful abroad. However, due to bureaucratic ineffectiveness or clash with the national priorities of the relevant ministry, the acquired knowledge will not be encoded/translated/used at the domestic organizational level. That is why blocked learning can be considered, in a (simplified) way, as the opposite of organizational learning; certain inherent domestic characteristics constrain the acquired knowledge from being embedded into the operational behavior of the actors' organizations (Zito and Schout 2009, p. 1110).

Blocked learning also differs from another policy learning type traced by the relevant literature, notably no learning (Zito and Schout 2009). With respect to the OMC, the latter essentially means that no cognition is taking place on behalf of the actors participating in soft instruments. On the contrary, the actors are satisfied with the status quo and choose not to change it (since it serves better their (political) goals). While in the case of blocked learning, (some level of) cognition is a necessary prerequisite.

Blocked learning is illustrated in Fig. 9.1. Through their participation in the OMC framework, national actors learn about new ideas and policies. However, due to the presence of specific domestic characteristics, these lessons cannot be transferred/embedded into the organizational level. Therefore, the learning process is interrupted.
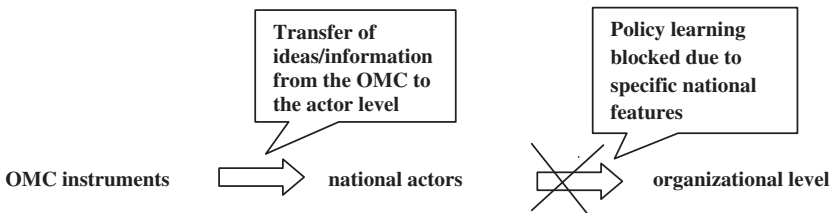
Fig. 9.1 Direction(s) of policy learning via the OMC according to blocked learning (*Source* Author)

Understanding how particular national features obstruct (prevent) policy learning from being promoted at the level of organizations is key to an empirical analysis of blocked learning. The endogenous features which play such a role, in the case of Greece, are presented in the following section.

Key Empirical Indicators

The key to empirically analyze blocked learning is to understand how contextual factors, such as administrative and political institutions, impede the transfer of knowledge from being inserted into the organizational behavior. These factors are often deeply rooted institutional characteristics, but they could also represent attitudes concerning the way national social policy making systems operate (or should operate) (Tholoniat 2010).

Nevertheless, it should be mentioned that an important precondition of blocked learning is that individual actors acquire knowledge via their involvement with soft instruments. According to the national actors interviewed for the purposes of this research (experts and national bureaucrats who participate in the OMC, elected officials and NGO representatives), the majority offered positive responses regarding the added value, in terms of knowledge, from their involvement with OMC processes. For instance, national bureaucrats talked about how taking part in peer review meetings helped them understand how to assess the potential effectiveness and transferability of a policy measure from abroad (GR5).[2] Independent experts argued that being part of OMC networks (such as the network of independent experts on social inclusion) forced them to be constantly up-to-date with both EU and Greek social policies (GR1 and GR7). Civil society representatives (mainly those who represent Greek NGOs participating in broader EU umbrella organizations such as the European Federation of National Organizations working with the Homeless (FEANTSA) and the European Anti-Poverty Network (EAPN)) stated that they learned a great deal from various initiatives and measures adapted elsewhere (GR8 and GR12). Finally, there are some indications regarding individual learning by elected officials and highly ranked appointed officials who are not the typical participants in the OMC. A former minister of Labour stated that the OMC offers an opportunity to learn how other countries deal politically with specific issues (GR14). Note that such statements refer to the acquisition of new

information via the OMC at the individual level. In the remainder, we discuss the main factors which block the transfer of such information towards administrative and political decision-making centers.

In Greece, there are four broad categories of domestic blocking factors within the field of poverty and social exclusion. At the organizational level we find: (1) general weaknesses of the public administration and (2) the centralized character of the policy making system. The domestic factors which create problems for the diffusion of information from the organizational level towards the political sphere can be considered part of (3) the clientelistic (political) system. There is a final important obstructing factor: (4) the lack of a clear institutionalized role for civil society. This last factor is presented separately since it can obstruct the transfer of knowledge towards both the organizational and political spheres. Table 9.1 summarizes the main empirical findings concerning blocked learning in Greece.

1. General Weaknesses of the Public Administration

National ministries are the coordinating centers responsible for the way OMC instruments are dealt with at the domestic level. But not all national administrations are willing, able and/or equipped to properly transfer the newly acquired information and incorporate it into their operational workings and policy measures. In the case of Greece this is mainly due to:

i. Inflexible and Reactive Administrative Processes

Greek public administration is highly inflexible and not at all effective in adapting to new conditions and policy tools (GR7). The administrative culture of the Greek public sector is essentially bureaucratic and legalistic (Ladi 2014; Matsaganis 2005; Sotiropoulos 2015), '*while closed procedures remain dominant*' (Ziomas et al. 2005, p. 9). This bureaucratic logic (MoE 2003, p. 45) blocks the emergence of a policy learning network within the national administration. Non-binding instruments and spontaneous initiatives are foreign to the administrative norm.

In addition, when it comes down to the design, (pre)planning and carrying out of various social policy measures (EC 2004, p. 164) the Greek public administration is reactive rather than proactive (Falkner et al. 2005). According to a former general secretary of the Ministry of

Table 9.1 Key domestic features of blocked learning in Greece (*Source* Author)

Blocked learning	Domestic features of the Greek political system which block policy learning processes via soft law policy tools			
	1. General weaknesses of the Greek public administration	**2. Over-centralized political system**	**3. Political interests/ clientelistic politics**	**4. Lack of institutionalized role for the civil society**
How is it defined in theory? *Actors (individuals or groups) learn from their participation in the OMC but this knowledge is not embedded into their organizations*	A. Inflexible and reactive administrative processes B. Problematic data collection C. Lack of administrative policy evaluation culture D. Fragmented public administration	All relevant competencies regarding the preparation of official OMC documents are gathered within central ministries, limited collaboration between central and regional/local administrations on OMC issues	A. Political use of expert knowledge B. Political focus on EU structural funds as opposed to soft policy tools C. The role of political advisors	Limited involvement of NGOs in the preparation of official documents, and relevant OMC procedures, disbelief between state and society
How is it identified in practice? *By identifying specific domestic features (administrative, institutional, organizational etc.) which block policy learning processes (the diffusion of information) from altering the organizational behavior*				

Labour, '…*Greece has an operational problem, its political system does not operate because it has a real plan, acts proactively and builds the preconditions in order to do something … the system is reactive*' (GR16).

This is a serious obstacle for OMC policy learning. OMC instruments and processes fit better in a more proactive administration which creates the necessary conditions for such instruments to operate (for example, by establishing open channels for the diffusion of information) and, in turn, allows them the time they need to show potential practical results.

ii. Problematic Data Collection

The lack of proper administrative data and hard evidence (Falkner et al. 2005; Hartlapp and Leiber 2010) creates obstacles with respect to the development of policy measures but also for evaluation and monitoring. For example, in their assessments of the first Greek 2001–2003 National Action Plan on social inclusion (NAPincl), expert reports commented on the lack of good statistics and hard evidence (Ziomas et al. 2003, pp. 3–4). The following 2003–2005 NAPincl also failed to include specific quantified short and medium-term targets regarding poverty and social exclusion, as was pointed out within a relevant European Commission report (EC 2006, p. 53).

In what ways does the absence of proper data constitute evidence of blocked learning? If the lack of statistical data refers to the number of, for example, various social vulnerable groups it '*raises serious questions regarding both the effectiveness of policy planning and the ordering of priorities in relation to the needs and the number of beneficiaries*' (Ziomas et al. 2006, p. 15). The absence of such data indicates serious *knowledge gaps* (EC 2009, p. 283) both of a statistical and administrative nature when dealing with, for instance, the fight against social exclusion of social groups.

Greece has no real tradition in developing indicators regarding social inclusion policies or conducting relevant analyses (Gazon 2009, p. 64) and the same can be said regarding the production of evidence based policy making (GR16).

iii. Lack of (Administrative) Policy Evaluation Culture

The lack of proper monitoring and evaluation mechanisms is a key problem within the Greek administration (Petmesidou 2010). The

2011–2014 National Reform Program (NRP) discusses the difficulties Greece faced regarding the monitoring and evaluation of various policy measures (MoF 2011, p. 50). These difficulties, however, were obviously not successfully met since the subsequent 2012–2015 NRP mentioned that such mechanisms remained a challenge for the Greek administration (MoF 2012, p. 31). These statements are also verified by national administrators themselves. For example, one bureaucrat commented that the evaluations run by the Greek administration are either too sporadic and inefficient, or do not occur at all (Gazon 2009, p. 67). Another civil servant, added on this matter that:

> … there are no mechanisms in place to set in motion the information. If we say that the information is like a ball which you set in a domino motion, there are no mechanisms. The information will either get lost somewhere or it won't be used adequately…. (GR10)

This is problematic for learning, since evaluation instruments and processes are at the core of the OMC framework (for example, country specific recommendations, benchmarks, best practices). The lack of such basic administrative tools diminishes the learning capacity of a country in comparison to its EU peers.

iv. Fragmented Public Administration

Finally, we turn to the limited (Ziomas and Bouzas 2008, pp. 3, 11; GR1) and/or insufficient synergy and coordination between various departments and ministries (Falkner et al. 2005). If one takes into account the highly hierarchical (Featherstone 2005) and 'top-down' type of organization (Sotiropoulos 2015) and coordination of the public administration, it is not difficult to understand why the fragmented decision-making system of Greece is another important variable (Featherstone 2005).

This is acknowledged within the majority of Greek official OMC reports. For instance, the 2012–2015 NRP stated the imperative need for ministerial duties and responsibilities to be clarified and simplified in order to make the administrative mechanism more effective (and accessible) in terms of soft policy tools (MoF 2012, p. 31; MoF 2013, p. 45). In effect, every Greek ministry involved in OMC instruments has a different agenda and there is limited coordination between them on social

inclusion policies. This undermines any substantial efforts towards the mutual exchange of information at the national level. According to a civil servant working at the Ministry of Labour:

> …I may write something on social inclusion and the Ministry of Finance will also have something similar to write…these two will never meet. Thus, they are like two parallel roads, you might say the same things, but this is probably due to chance. This is the biggest problem. (GR5)

The Greek public administration is characterized by excessive diffusion of shared competencies between various ministries. Consequently, '*nobody has the ownership of a policy*' (GR16). The lack of collaboration and coordination between the central administrations is a serious obstacle for policy learning.

2. Over-Centralized Character of the Political System

The social policy making system of Greece is highly centralized (Featherstone 2005; Pappas and Assimakopoulou 2012; Sotiropoulos 2015). This means that all relevant competencies, on issues of social protection and inclusion, are gathered at the central ministries (Ioakimidis 2000). Social policy issues such as the fight against poverty and social exclusion require the close collaboration and coordination of central administrations with the respective ones at the regional and local levels. Poverty varies from region to region and there are persisting peripheral inequalities (MoL 2005, p. 6) which need to be taken into account if social policy measures are to be effective at a national scale (as envisaged within the OMC framework and objectives). An expert report describes the above situation rather accurately,

> It goes without saying that the centralized character of policy making in Greece, particularly in the social protection and employment areas, impedes the development and implementation of specific integrated plans for social inclusion at the regional or local level. (Ziomas et al. 2006, p. 19)

The main obstacle here is the lack of institutionalized vertical links for the exchange of information between central and regional/local administrations. Everything which has to do with the preparation and drafting

of official national strategic reports is carried out by competent ministries at the central administration which often rely on their own administrative data and ad hoc assessments regarding the potential effectiveness of a social policy strategy (Ziomas et al. 2007, p. 20). Thus, regional and local administrations do not have the opportunity to participate in the drafting of the various national reports (Ziomas et al. 2005) and as such are basically excluded from the whole national policy design process. As a consequence, central ministries are often not aware of various important aspects regarding the regional dimension of poverty and social exclusion.

The strong centralization of the Greek decision-making system and the subsequent lack of institutional vertical links between the national and sub-national levels of the administration, have resulted in excluding local municipalities and regions from taking part in the OMC policy tools. This variable, for all the reasons stated above, is therefore an important blocking factor.

3. Political Interests/Clientelistic Politics

The third group of blocked learning variables point to the core of the political decision-making system. Specifically, they point towards political interests and clientelistic politics which characterize the Greek political system overall (Afonso et al. 2014). Political parties used the state as a means to distribute favors so as to maximize their electoral appeal (Ioakimidis 2000). The Greek welfare state (GR13) was for years 'characterized by a clientelistic mediation of access to resources' (Matsaganis 2005, p. 237) and was essentially organized by attributing social programs (GR1) and benefits (Ziomas et al. 2009) according to political criteria. The majority of the beneficiaries of such revenues were the so-called protected *insiders* of the system (Sotiropoulos 2004), mainly public-sector employees (Guillen and Matsaganis 2000; Kalyvas 2015). There are three main sub-factors linked to the clientelistic organization of the political system which obstruct the diffusion of new ideas via the OMC in Greece.

i. Political Use of (Expert) Knowledge

According to most of our interviewees, Greek politicians think and act in order to '*preserve their boxes*' (GR7). They do not like changes which might jeopardize the status quo, result in political cost which in turn leads to loss of votes. As one commentator suggests:

…the political cost and the temporary partisan balances within the minis-
tries might determine the fate, even downgrade good initiatives based on
the OMC. If there is no obvious political gain or if a new measure is too
costly then nothing will come out of the OMC. (GR20)

Greek elected officials have not been willing (or able) to overcome
their narrow personal, political and/or sectoral interests (EC 2004, p.
164) when dealing with OMC policy tools. Politicians look for imminent
results and are not interested in taking risks by adopting unconventional
instruments, such as the OMC, which are time-consuming (Zito and
Schout 2009) with often unpredictable outcomes. In a nutshell, Greek
elected officials use expert knowledge (from the OMC) either to sub-
stantiate a predetermined policy choice, when and if, the newly acquired
information coincides with their political interests—or to legitimize and
enhance their position within a specific policy arena (Boswell 2008).
In this sense, expert knowledge, here, is not used as a problem-solving
instrument (Radaelli 2009).

ii. Political Focus on European Structural Funds as Opposed to Soft Policy Tools

From an early stage, the OMC was viewed with mistrust and reservation
by the Greek political elites who were more committed towards the old
Community Method which brought immediate results and EU funding
(Sakellaropoulos 2007). This is also clear from the numerous references
concerning European Structural and Cohesion Funds, especially the
European Social Fund (ESF) (MoEF 2005; MoESP 2008) within the
majority of official OMC reports. Most of these references state that the
Greek government considers the contribution of such EU funds[3] as vital
for the fight against poverty and social exclusion (MoF 2011, p. 54).
As a result, nonetheless, the longevity of many social policy measures in
Greece has been basically linked to the requirements of the ESF (GR11,
GR12) instead of OMC objectives. This argument is clearly raised by a
former General Secretary at the Ministry of Labour:

… there is a whole generation of structures which when the funding ends
they die out. You must have a different public administration, a different
organization of the political life, a different culture in order for soft actions
to function. They do not in Greece. (GR16)

Thus, absorbing EU resources became a priority for national ministries (as opposed to investing in the exchange of best practices) since it provided them with the resources needed to implement their policy goals. Under such conditions, it is very difficult for OMC ideas to be incorporated within the social policy making system. Thus, since the OMC is not directly linked with the transferring of resources from the EU to the national level, it attracted limited interest on behalf of the political elites.

iii. The Role of Political Advisors[4]

The role of political advisors in Greece has been dealt by the relevant literature on the politico-administrative context (Sotiropoulos 2015; Spanou 2008). Individual ministers enjoy a high degree of independence in contrast to the top civil servants which are often perceived as *passive* and *observers* of decision making processes (Featherstone and Papadimitriou 2013). However, ministerial advisors also enjoy high degrees of authority and independence. And even though, the political hierarchy of a ministry is expected to take into account the opinions of permanent civil servants, this is not always the case (Sotiropoulos 2007). Ministers often prefer to consult and rely on their own un-accountable advisors (GR13). It is not an exaggeration to argue that in Greece political advisors have undertaken projects which 'in other countries are left to the responsibility of the public administration' (GR17) per se.

It is precisely their role as *go-betweens* which can create obstacles for the diffusion of knowledge. Since most of these advisors have been appointed according to their party-political affiliation, their interests are aligned with the priorities of the political hierarchy. Since Greek politicians do not consider the OMC a priority, it is most likely that their advisors will overlook OMC information.

4. Lack of Institutionalized Role for Civil Society

The final variable is the lack of a clear institutionalized role for civil society with respect to OMC processes. According to a non-governmental organization (NGO) representative,

> …the aspect of the institutionalization of processes is necessary. It is treated as if it is optional and it isn't (…) in order for something to reach from Europe an NGO in Greece, the national agency must intervene

which usually is state owned, and there is where the whole thing gets lost…. (GR8)

The majority of NGOs and stakeholders are not actively engaged in OMC instruments (particularly in the drafting of official documents), and in turn have limited influence on their outcomes at the national level (Delistathis et al. 2009, p. 2). As such, the interaction between central administrations and NGOs with respect to social protection policies is rather inadequate (MoESP 2006, p. 40). These indications are in alignment with the literature references regarding the weak civil society (Lyrintzis 2011) and the respective lack of social dialogue in Greece (Petmesidou and Glatzer 2015).

The lack of a collaborative culture between national administrations and civil society has impacted on the transferring of information (via the OMC) in two inter-related ways: on the one hand, it is very difficult for NGOs to obtain (to access) the new information from the central ministries since the latter are reluctant to work with them (EU-5). On the other hand, civil society representatives do not see the point in actively participating in the OMC instruments, in the first place, since their opinions are often not considered by the national administration (EU-2).

This is because Greece is generally a low trust society (Spanou and Sotiropoulos 2011) which emerged from a *'heritage of decades of disbelief between the state and society, a product of Greece's historic development and of the democratic deficit during the period when other countries were setting up their welfare states'* (MoE 2003, p. 19). In addition, the lack of epistemic policy oriented communities in Greece (GR17) has contributed to the limited public awareness and visibility regarding the social strand of the OMC in Greece (Delistathis et al. 2009, p. 1; GR17).

Discussion and Conclusions

We have analysed how elements of the domestic political system block learning from the OMC in Greece. The findings point to administrative weaknesses, over centralized state, partisan political interests and lack of a clear institutionalized role for civil society. These variables block the transfer of the knowledge that individuals—experts, bureaucrats—gain during their participation in the OMC. As a consequence, the newly acquired knowledge is not incorporated into the organizational behaviour and seldom led to political reform. The analysis suggests that these

factors operate next to one another in a perverse 'ecology' and thereby potentially reinforce the blocking effect. The role of these variables is likely to affect other OMC processes in countries that have similar configurations of administrative strength, centralization, partisan approaches to knowledge and participation of civil society. This suggests how future empirical-comparative research on blocked learning can be usefully organized. It is also interesting to see if the improvement of one of these variables can block the perverse ecology or whether the ecology is resilient to changes in individual variables. This is another useful contribution to the emerging research agenda in this field.

In conclusion, whilst we confirm the role of structures of the domestic political system in learning or lack thereof (Zito and Schout 2009; Zito 2015), we also add the specific factors that block learning, with evidence from the OMC in Greece. This step in the research is important because it allows us to come up with concrete ideas and understandings not only about how learning from the OMC is blocked but also how it can be unblocked—in Greece but also other European countries.

In the case of Greece, under the conditions of soft modes of governance, the policy-process should give more credit to policy expertise and sustainability, rather than ignoring suggestions from other countries or experts beyond national elected official's constituency. The problem with this solution is that it does not correspond at all with the Greek style of policymaking, which works via clientelistic pathways where voters expect politicians to serve their clientele first (Pappas 2009). This chapter has demonstrated as well that elected officials in Greece were mostly interested in the funds of the ESF rather than the enlightenment from the OMC. In addition, due to the hierarchical structure of the Greek administration—unfavourable towards more flexible and innovative policy tools—expert knowledge will always have difficulties to become embedded in the organizational modes of working, unless its overall administrative capacity (Dunlop 2017) is substantially improved.

A final point regarding the Greek case concerns the abrupt change in conditionality after the introduction of the Memorandums of Understanding in 2010 by the European Union, the European Central Bank and the International Monetary Fund. Therein, the Greek government entered a special position in the sense that the mode of European governance changed from soft-modes (i.e. a learning environment) to a more hierarchical context in which the Greek government needed to comply with the policy suggestions of its creditors in order to receive

funds. In essence, in the era of the memorandums, EU governance switched from a learning-based to a more compliance-based mode of governance. Whether this condition will impact the Greek style of learning or even unblock learning is a premature statement to make but it is one worth exploring in the future.

NOTES

1. With respect to the impact of the European Employment Strategy there has been a recent empirical work published on Greece and Portugal (Zartaloudis 2014).
2. The interviews conducted for this research are anonymous. The codes represent whether an interview took place in Greece (GR) or with the European Commission (EU). For example, GR5 stands for the fifth actor interviewed in Greece. For more details, see Appendix 9.1.
3. This is the case irrespective of whether we refer to the Lisbon era and the introduction of the social OMC or later on during the EUROPE 2020 strategy and the integration of the European Semester.
4. The chapter refers exclusively to those political advisors appointed within the various ministerial cabinets of the public administration/central ministries.

APPENDIX 9.1: LIST OF INTERVIEWS

Interviewee code	Official capacity	Organisation	Date
GR 1	Independent Expert, National Centre for Social Research (NCSR)	Network of Independent Experts on Social Inclusion, Athens	December 2013
GR 5	National Bureaucrat	Social Security and Social Solidarity (MoL), Member of the Social Protection Committee (SPC) and the Indicator's Sub-Group (ISG), Athens	December 2013

Appendix 9.1   (continued)

Interviewee code	Official capacity	Organisation	Date
GR 7	Independent Expert	National Centre for Social Research (NCSR), Network of Independent Experts on Social Inclusion, Athens	December 2013
GR 8	NGO Representative	KLIMAKA, Member of European Federation of National Organizations Working with the Homeless (FEANTSA), Athens	December 2013
GR 10	National Bureaucrat	Ministry of Labour, Social Security and Social Solidarity, Unit of Social Protection, Former Member of ISG, Athens	December 2013
GR 11	National Bureaucrat	Social Security and Social Solidarity, Head of Special Unit for the Coordination and Monitoring of ESF Actions, Athens	December 2013
GR 12	NGO Head	ARSIS, Member of European Federation of National Organizations Working with the Homeless (FEANTSA), founding member of the Greek strand of the European Antipoverty Network (EAPN), Athens	December 2013
GR 13	Independent Expert	University Professor at Panteio University of Social and Political Studies, Athens	December 2013
GR 14	Former Minister of Employment and Social Security (2001–02)		December 2013

Appendix 9.1 (continued)

Interviewee code	Official capacity	Organisation	Date
GR 16	Former General Secretary of the Labour	Social Security and Social Solidarity (2005–09), Athens	December 2013
GR 17	Independent Expert	University Professor at Athens University of Economics and Business, Athens	December 2013
GR 20	Independent Expert	University Professor at National and Kapodistrian University of Athens, Athens	December 2013
EU 2	Policy Coordinator	European Antipoverty Network (EAPN), Brussels	May 2013
EU 5	Team Leader	European Platform against Poverty and Stakeholders Relations, European Commission, DG Employment, Social Affairs and Inclusion, Brussels	May 2013

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Structure, Agency and Policy Learning: Australia's Multinational Corporations Dilemma

Tim Legrand

Amazon paid just £15 m in tax on European revenues of £19.5bn. (*The Guardian*, 11 August 2017)

Microsoft avoids paying £100 m a year in UK corporation tax: Microsoft sent more than £8 billion of revenues to Ireland since 2011. (*The Independent*, 19 June 2016)

Microsoft, McDonald's, IBM not signed up to government's tax transparency code. (*Sydney Morning Herald*, 7 April 2017)

Corporate tax minimisation represents an archetypical global collective action problem. In the wake of the neoliberal dismantling of global financial regulations in the 1990s, modern capital has become more mobile between states than ever and multinational corporations, in particular, have flourished. These companies are the progeny of what was then called

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the Washington Consensus, and have grown to represent a structural challenge to states: borne out of the diversity of international tax regimes available to companies that can afford to relocate their base of operations to the most advantageous jurisdiction. Competition amongst states to become hosts to the highly mobile global titans of the digital technologies industry—Google™, Amazon®, Microsoft®, for example—by reducing the corporate rate of tax and other relocation incentives has provoked debates over whether the world is witnessing a 'race to the bottom' in which tax receipts are progressively eroded and public spending diminished (see Chirinko and Wilson 2017; Razin and Sadka 2011).

More worrying, perhaps, for state financial planners is the ease with which some multinational corporations (MNCs) are able to have their cake and eat it: structuring their business in ways that relocates only their taxable income to low-taxation jurisdictions while maintaining their substantive operations in higher-tax jurisdictions.[1] The resultant twin problems of base-erosion and profit-shifting, as they are known, have begun to animate widespread international review of the tax rules and implementation. Given that the challenge is a product of uneven tax regulation, resolving this collective action problem requires state policy officials to attenuate regulatory gaps and adopt, as closely as possible, common tax regulations. State officials must either collaborate—adopt common tax policies and surrender provincial policy ambitions—or act unilaterally and risk collapsing the edifice of global collective protection.

The chapter's core claim is that explaining cross-national policy learning requires us to identify and conceptualise the subtle contextual influences on decision-making policy officials. Here, I rely on the policy transfer literature—which is concerned with the conditions, processes and agents involved in the movement of policies between countries—to propose an account of policy learning as a form of *ideationally* and *structurally* channelled emulation: I contend that ideationally the internalisation of new ideas by agents, *qua* policy learning, is influenced by existing relationships with like-minded institutions, agents' enhanced access to those institutions, and the dominance of certain policy norms therein. Structurally, furthermore, the scope of feasible policy action is materially delimited by a broader context of structures, processes, and decisions beyond the direct control of agents. Explaining the process by which learning across borders occurs, therefore, is a matter of acknowledging the complex interaction of structure and agency.

Political scientists are familiar with the metatheoretical knot of structure and agency. In acting, agents make and remake the world, but do so in a context not of their choosing. They operate in: an environment made up of irresistible socio-economic forces; with finite resources; and with uncertainty (or 'bounded rationality') over the course of action most likely to realise their ambitions. This contextual dynamic is implicit to policy scholarship, and yet much policy transfer analysis has tended to methodologically privilege the intentions and actions of policy-makers. This has directed research towards an agential-praxis conception of policy transfer—describing what policy-makers do and how they do it rather than conceptualise the influence of underpinning mechanisms in this process. This is partially because the influence of macro- level and meso-level mechanisms has been the concern of policy diffusion and policy convergence theorists (Marsh and Sharman 2009).

To escape this intentionalist position evident in much of transfer scholarship, Mark Evans and Jonathan Davies recognise that policy transfer occurs in a structured context which shapes the 'context, strategies, intentions and actions of the agents' (1999, p. 370). In so doing, they operationalize a structure/agency framework that forges an amalgam of both. Thus, herein I enter policy transfer's structure-agency debate to equip analysis with a concept of structure-agency that is, firstly, fit for political analysis of outcomes and, secondly, capable of stimulating meta-theoretical debate in this burgeoning research literature.

The contribution of this chapter within this collection, therefore, is to stress the often subtle and hidden, but not less influential, structural forces that channel agents' policy learning. Consideration of Australia's reconfiguration of tax policy between 2015 and 2017 offers an unusually apt example of the structure/agency tensions inherent to policy transfer and the incumbent limits to the scope of policy learning. In the wake of a series of politically-damaging media reports on the relatively small amounts of tax paid by MNCs to the Australian treasury, the Federal Government resolved to close the legal loopholes through which MNCs channelled—quite lawfully—their revenues. Two mechanisms were triggered concurrently: (i) in recognition of the collective action problem, the Australian government first played a central role in promoting a G20 consensus around common measures to compel MNCs to declare conclusively their country of 'permanent establishment' and to pay taxes thereto, and (ii) to follow the UK's lead in setting technical standards to prevent MNCs from structuring their business in a way that used debts,

loans and repayments, transfer pricing, in multiple jurisdictions to minimize their tax liability.

We commence by setting out the relationship between the concepts of policy transfer, learning and emulation. Here, I develop policy emulation as a cross-over concept that captures the intentionality of positive policy learning. The chapter then explores the parameters of the structure/agency debate, drawing attention to, and critiquing, how Mark Evans and Jonathan Davies (1999) operationalise one such perspective in respect of policy transfer. The chapter then proposes an alternative model—Margaret Archer's morphogenetic approach (1995)—as a means of depicting the structural and ideational dynamics shaping the policy transfer process. The resulting model is then used to frame the chapter's case: the development of Australian tax policy associated with MNC tax minimisation strategy. I argue that consideration of this case illuminates the intertwined structural and agential dynamics implicit to policy transfer and, in doing so, conclude by elucidating theoretical insights of the policy transfer process that highlight: (i) exogenous structural imperatives; (ii) structural conditioning of policy learning; (iii) endogenous institutional constraints.

Nested Concepts: Policy Transfer, Policy Learning and Policy Emulation

'Policies, it seems, are on the move' (Peck and Theodore 2010, p. 169). The questions of why and how governments (and their agents) import, adapt, abandon, cement or export their policies are central to a range of literatures in public administration. A constellation of concepts have been deployed to make analytical sense of the muddle, from (amongst many others) policy transfer (Dolowitz and Marsh 2000), learning (Hall 1993), and lesson-drawing (Rose 1993) to diffusion (Berry and Berry 1990), convergence (Bennett 1991), and knowledge transfer (Stone 2012). Separating the concepts are competing ontologies and epistemologies—what forms of evidence are commensurate with reliable knowledge about the social world—as well as a varying emphasis of the role of agency, structure and ideas in driving outcomes.

Policy transfer is predicated on the *movement* of policy (as a product of voluntarism, involuntarism or coercion) between jurisdictions. The prominent advocates of the concept, Dolowitz and Marsh, present the framework as a heuristic that captures a host of sub-concepts that

variously capture the range of activities and processes contributing to cross-border policy transfer (2000, p. 14). Policy learning falls within this umbrella concept, given its concern with the process by which agents or institutions use learning in enhancing local policy-making. For Dunlop and Radaelli, four types of learning can be identified: reflexive learning of policy actors seeking deeper policy insight; learning through epistemic communities with shared beliefs and policy paradigms; learning as 'unintended product of dense systems of interaction' between different policy actors; and constrained learning in the 'shadow of hierarchy' (2013, pp. 603–604). In this typology, Dunlop and Radaelli widen the conceptual application of learning, not least with the accommodation of overshadowing structural imperatives and bureaucratic power in the learning process. Importantly, policy learning can be a form of policy transfer, but it also extends to a broader range of learning sources and types of learning, many of which do not involve other jurisdictions (see Dunlop 2017; Stone 2017).

In this chapter, I frame policy emulation as a distinctive product of policy learning processes *and* therefore a form of policy transfer. As a form of transfer, emulation is necessarily a function of two jurisdictions: the importer and exporter, which implicates cross-border policy movement. As a product or outcome of learning, emulation implies a *positive* learning process. This is an important differentiation, since policy learning conceptually captures a spectrum of both positive and negative learning; as Dunlop (2009, p. 371) argues, "decision-makers can learn 'negative lessons' where learning from the ideas that are diffused help crystallize what ideas and policy paths they do not wish to follow". Indeed, policy learning need not involve any adoption of policy elements at all, as Dunlop and Radaelli's typology suggests.

This notion of emulation relies largely on Richard Rose's early work on lesson-drawing, where he suggests policy emulation occurs where it is accepted 'that a particular programme elsewhere provides the best standard for designing legislation at home, albeit requiring adaptation to take different national circumstances into account' (1993, p. 21). In this view, emulation falls with a range of modes of lesson-drawing in which the level and extent of lesson-drawing is contingent on the local and cultural settings (Rose 1993, p. 6)—or structural elements, as I suggest below. Emulation is for Rose, as it is for me, therefore about *policy success and cross-border policy movement*: 'The object of lesson-drawing is to adapt and adopt in one's own country a programme already successful in

another, and thus reduce future differences in achievement' (Rose 2005, p. 5). Emulation therefore operates as the cross-over concept that combines the cross-jurisdictional policy movement element of policy transfer with the learning reflex of policy actors. It further adds a third imperative, that cross-border learning is *positive* learning.

STRUCTURE, AGENCY AND CROSS-BORDER POLICY LEARNING

It is not without some trepidation that scholars engage with the structure-agency debate. Social scientists of all stripes have deliberated and debated on this question concerning the fundamental fabric of the social world: on the one hand, there is the behaviouralist or individualistic conception of society, which holds that we can understand social or political behaviour through *agency*: the conscious choices and actions of rational individuals who seek to realise their ambitions based on their self-interest and perception of their environment. For behaviouralists, by determining how individuals respond to their interests in given environments we can explain—predict, it is hoped—outcomes in the social and political world (Hay 2002, p. 51; Heywood 1999, p. 43). On the other hand, other social scientists emphasise how context constrains the choices available to individuals—context is made up of the weight of history, culture, traditions, economic relations, political institutions and social conventions, or what is referred to as *structure*. The indeterminate combination of these structures, it is argued, reduces or eliminates the scope for agency. Explaining the regularities of the world, therefore, is a matter of understanding the dynamics of structural forces. These are oppositional, of course. In political or social analysis, the question of structure and agency accents our work and is implicit to all explanations. The question occupies analysts because, as McAnulla remarks, 'as political scientists of whatever kind, we are bound to appeal to some understanding of structure-agency whenever we offer explanation of political events' (2002, p. 273).

Political science hosts a spectrum of conceptualisations of the structure/agency relationship. Amongst the more commonly deployed positions in this centre ground which attempt to reconcile or tease out a relationship between structure and agency are: (i) the strategic-relational approach (Hay and Jessop 1995); (ii) the morphogenetic approach (Archer 1995); and, (iii) the structuration approach (Giddens 1979, 1984).

The third approach has been operationalised by Evans and Davies (1999). They claim that, first, the processes of globalisation, internationalisation and transnationalisation act as facilitators of policy transfer by increasing the opportunity structures for policy officials to engage in cross-border policy learning. Second, they suggest that policy transfer activity operates a *promoter* of the conditions of globalisation; for example, policy transfer as a tool of governance aids efforts towards integration within the EU project. Thirdly, they suggest, it is necessary to measure the impact of these processes upon the behaviour of the state. They argue that international regimes play a crucial role in 'processing' policy ideas through 'epistemic communities'. In turn, these communities utilise their 'knowledge resources' to highlight global 'policy problems and options' (Evans and Davies 1999, p. 371). One outcome of this arrangement, they claim, is increased policy convergence. Evans and Davies take their understanding of 'international regimes' from Richard Higgott (1996):

> Regimes are the practical functional application of governance in international relations; for it is regimes that articulate the principled and shared understandings of desirable and acceptable forms of state behaviour. (cited in Evans and Davies 1999, p. 371)

In linking these concepts, Evans and Davies generate what they see as a key research question: 'in what sense do these external structures facilitate state behaviour with particular regard to processes of policy transfer and how?' These are fundamental questions of the relationship between macro-political forces as regimes in which policy transfer is a product of shared ideational matrices. The chief critique of the structuration analysis mobilised here is it 'doesn't allow one to study the interaction between structure and agency because, methodologically, either structure or agency, and usually the former, is held constant' (Marsh and Sharman 2009, p. 275).

THE MORPHOGENETIC APPROACH

> Society depends on reflection without embodying it (*contra* idealism), and is reliant upon agents wanting change yet rarely changes in the way that anybody wants, And this is because of the unpredictable interplay of the two sets of emergent, irreducible and autonomous causal powers pertaining respectively to structure and agency. (emphasis in original, Archer 1995, p. 75)

Margaret Archer rejects the central conflation of structure and agency found in Giddens' structuration theory, arguing that its denial of the separability of structure and agency impedes its ability to explain *either* structure or agency. Morphogenesis—Archer's own 'unlovely' description of the structure-agency relationship—by contrast is predicated upon an 'analytical dualism' of structure and agency. This position has two central characteristics: (i) structure and agency are analytically separable, and; (ii) they are temporally sequenced, they affect one another sequentially over time (1995, p. 76). These insights are rooted in Roy Bhaskar's (2010) critical realist approach, acknowledging, as they do, the independent, yet interactive, properties of structures and agents when constituted in the same social realm:

> By definition it hence accords full significance to the timescale through which structure and agency themselves *emerge*, *intertwine* and *redefine* one another, since this is the very format employed in the analysis of any problem. (emphases in original, Archer 1995, p. 76)

At its most basic, the morphogenetic sequence has three stages: (1) structural conditioning; (2) social interaction; (3), structural elaboration. These are illustrated in Fig. 10.1.

Archer explains the configuration of the above cycle thus:

> Fundamentally the morphogenetic argument that structure and agency operate over different time periods is based on two simple propositions: that structure necessarily pre-dates the action(s) which transform it; and that structural elaboration necessarily post-dates those actions […]. (1995, p. 76)

STRUCTURE

T^1

INTERACTION

T^2

T^3

STRUCTURAL ELABORATION

T^4
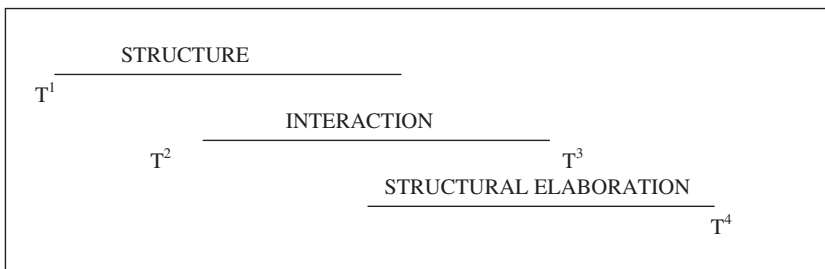
Fig. 10.1 The morphogenetic cycle (*Source* The morphogenetic sequence, taken from Archer 1995, p. 76)

The differentiation of these stages is only an analytical exercise; each stage (T^1, T^2, T^3) is seen as iterative and simultaneous to the others. The process occurs over time and represents a model of ongoing social transformation in unpredictable directions. The acknowledgment of contingency and unpredictability is integral to the model, since these signal an acceptance that any study of the structure-agency problem entails *post hoc* explanation, rather than *a priori* prediction.

The central expression of this approach is a conceptual depiction of a relationship dynamic. At this level of abstraction, we are neither describing how structures or individuals act substantively, but rather we seek a new means of *understanding* the social and political milieu. The morphogenetic approach provides us here with a useful abstract conceptualisation of the structure-agency relationship. It describes the distinctiveness of each side of the dualism, yet emphasises the ongoing transformation in which each a/effects the other.

Morphogenesis and Structural Conditioning of Policy Learning

Though the structure/agency debate offers a useful lens through which to view the policy decision-making process, here I suggest that operationalising the morphogenetic framework in an institutional context benefits from added reflection on the mediating role of ideas in mobilising particular forms of policy reasoning and action. This is pronounced in two ways: first, in the dominance of ideas *within* an institution and, second, the associated selectivity of compatible sources of policy learning *beyond* the institution.

First, as *per* Evans and Davies (1999), the process by which policies are transmitted, adopted and implemented is intrinsically shaped by prevailing regimes of ideas. Today, in and amongst Western states some political ideas resonate more than others with the overarching dominant logics of, for example, liberal democracy and neo-liberalism. In this context, policy approaches that are protectionist, illiberal or isolationist gain little traction because they are misaligned with the dominant political consensus. This is, of course, the denouement of Peter Hall's claims about the power of ideas in public policy, where he forwards the following claim about policy paradigms:

> [Policy paradigms] suggest that the policymaking process can be structured by a particular set of ideas, just as it can be structured by a set of

institutions. The two often reinforce each other since the routines of poli-
cymaking are usually designed to reflect a particular set of ideas about what
can and should be done in a sphere of policy. (1993, p. 290)

Policy paradigms can act in structural ways: ideas that align with the
paradigm's precepts are privileged, and antithetical ones squeezed out,
or at least not openly accommodated. Paradigms are, in this sense, struc-
tural, but they are not static nor monolithic. They are also constituted
by and constitutive of agents' idealising. On this agency perspective, and
borrowing Heclo's vernacular, Hall argues that policy-makers not only
'puzzle', they also 'power', seeking to advance their fortunes 'by devis-
ing new approaches to old dilemmas'. That is, power and puzzling are
'dimensions of the process whereby policy changes, especially in demo-
cratic polities, whose institutions tend to combine the two endeavours'
(1993, p. 289). Ideas are susceptible to change incrementally or, in the
midst of policy failure, radically. This is a description of the strength of
ideas in channelling learning and action along well-established avenues of
thought and values, particular to a (political) time and place:

Policymaking in virtually all fields takes place within the context of a par-
ticular set of ideas that recognize some social interests as more legitimate
than others and privilege some lines of policy over others. (1993, p. 292)

Second, the role of ideas in shaping institutions is, I suggest, a
double-edged sword. Not only do dominant ideas (re)produce specific
policy approaches within institutors, they also shape the range of insti-
tutions that may be regarded as legitimate sources of learning. This is,
in fact, to make a rather basic point: policy-makers tend to learn from
countries regarded as compatible, with similar institutional arrangements,
a point well-made by diffusion and transfer theorists (notably, Marmor
1997; Rogers 1995; Rose 1993).

Finally, the countries that are regarded as preferred or compatible
sources of policy learning may be understood as prior to agents insofar as
there is a *structural conditioning of learning*. Alexander Wendt's (1994)
constructivist critique of realism and rationalism calls for recognition of
the role of collective identity formation in international politics. On this
view, Wendt suggests that regional or global international systems shape
how states' collective identities form 'shared understandings, expecta-
tions, and social knowledge' derived from structural contexts, systemic

processes and strategic practice. The analysis is worth reflecting on, for it suggests that transnational policy problems are addressed cooperatively by policy officials framing their interests as both prior and endogenous to interaction: 'By teaching others and themselves to cooperate... actors are simultaneously learning to *identify* with each other- to themselves as a 'we' bound by certain norms' (1994, p. 390).

So, to arrive at a morphogenetic account of policy transfer means an exploration of not only the participant structures and agents, but also the effect that *context* plays in the capacity of both. Policy-makers learn but learning is a function of available lessons and, what is more, the lessons perceived as relevant in ideationally comparable jurisdictions and, if those are positive lessons, amenable to emulation or adoption. Explanations of why some policies are adopted and not others requires us to acknowledge (i) material structures constrain possible policy action (or at least its probable success) (ii) there are a finite positive/negative 'lessons' to be learned; (ii) those who learn/seek to adopt operate in an institutional ideational context which is more receptive to some (overseas) lessons than others; (iv) the production of new policy strategies alter the structural material environment, producing new structural effects that may be unintended and may alter the operating environment for future policy decision-making.

Australian Tax Code Reform 2015–2017

Since 2015, the Australian federal government has sought to steadily tighten the tax regulations governing MNCs. Specifically, the government has begun to address public outcry over MNCs that manage to evade or minimize their tax bill by exploiting loopholes in international tax agreements. Pursuant to this aim, two tranches of legislation have been produced: the Multinational Anti-Avoidance Law (MAAL) and the Diverted Profits Tax Act (DPTA) 2017. The former targets MNCs that attempt to restructure their business to avoid, on the books, being a taxable entity in Australia. The latter penalizes MNCs that divert profits to a lower-tax jurisdiction to avoid higher Australian tax rates. These changes are largely the result of overseas initiatives. Both the DPTA and MAAL have clear links to the United Kingdom's (UK) Diverted Profits Tax (DPT) legislation and the G20/OECD Base Erosion and Profit Shifting (BEPS) initiative.

This is an atypical case of policy transfer to consider because two policy transfers, from two different sources—are constituted simultaneously and explicitly in Australia's domestic framework. That UK policy is regarded as compatible with Australian institutional pre-requisites is a function of latent Anglo policy paradigms: common institutional design, policy protocols, language, market structures and regulation, and so on. Politically, too, the adoption of UK policy ideas is less remarkable than, say, the adoption of North Korean financial instruments. This is to make a broader observation: policy transfer is contingent, the product of several constellation of structural conditions and agential motivations.

International Context of Tax Regulation

Double-taxation agreements (DTAs), or tax treaties, are established between countries to reduce (or avoid entirely) the impost of taxation on a company that undertakes business in both jurisdictions. Multi-national corporations, by definition, undertake business in multiple jurisdictions and are thus liable to the tax laws of each jurisdiction. To ease the flow of trade between countries, states have traditionally entered into bilateral agreements that specify to which jurisdiction a company pays tax. To accommodate companies based in more than one country—MNCs—states have historically entered into bilateral agreements to avoid imposing a taxation impost on a company in both jurisdictions: so-called 'double taxation', a form of cross-border collaboration (Janeba 1995, p. 322).

DTAs set out the tax rules applicable for transacting cross-border business and in doing so facilitate information exchange between tax authorities, promote bilateral trade and investment, reduce the opportunities for tax evasion, and reduce MNCs taxation compliance costs. Yet, the incremental development of an international patchwork of bilateral DTAs has introduced inconsistencies between tax codes that are exploitable: MNCs may take lawful advantage of these inconsistencies by structuring their business taking advantage of tax havens (or off-shore financial centres, as they are known), to reduce their taxation obligations to the lowest rate possible (see Rawlings 2007).

A range of strategies are deployed by MNCs to minimize their tax bill. A prominent approach is to 'game' the 'permanent establishment' principle, which is used by tax authorities to determine where a company is physically based with respect to its business transactions: 'if it is established that a company is a 'resident' of a country, that country may fix

a legal right to tax that company's income' (Chan 2000, p. 248). This principle can be manipulated by artificially structuring the company so that it appears, on paper, to be predominantly transacting its business in low-tax jurisdiction, thus avoiding the tax rate of the country in which, in substance, it is predominantly based. This is a second approach—a strategy described with the neologism, 'the Double Irish'—is to fragment a company into multiple subsidiaries across different tax jurisdictions and then to establish a system of loans, payments and debts between subsidiaries which artificially creates on-paper losses in high-tax burden countries (minimizing tax payments thereto), while transferring profits to subsidiaries in low-tax countries, a strategy dubbed 'transfer pricing' (see Stewart 2012).

Permanent establishment and transfer pricing have been sources of frustration for tax authorities for some time; yet in the absence of multilateral agreements that plug the holes in between-state tax codes, MNCs have managed to lawfully pursue their strategies unabated. With the rise of e-commerce in the global economy, tax minimization has reached critical levels: 'Since commerce in cyberspace transcends national borders and the fixed physical location of transactions, the US Treasury has observed that source-based taxing schemes could be obsolete with respect to e-commerce' (Chan 2000, p. 254). This is because digital goods are 'intangible' and can be sold or rented to a global market instantly, so the fact of a MNC's 'physical' permanent establishment is increasingly difficult for tax authorities to prove. Digital technology companies can 'relocate' their principal service base—which after all, largely entails non-physical digital transfer—to off-shore financial centres, such as Bermuda or Cayman Islands, even while the bulk of profit-making occurs in higher-tax jurisdictions. And so not only have technology MNCs been able to take lawful advantage of tax minimization strategies outlined above, they have also attracted public ire for doing so.

OECD/G20 Base Erosion and Profit Shifting Initiative

Against this backdrop of mounting public concern over perceived corporate tax avoidance, in July 2013 G20 leaders announced their intention to work collaboratively to counter tax avoidance and minimisation strategies employed by multinational companies (MNCs). The member states were particularly motivated by the transformative effect of the 'digital economy' on countries' tax bases in light of the projected growth of

this sector in the foreseeable future. The OECD observed that though permanent establishment is an issue of all MNCs, not just digital businesses, strategies of tax minimization had become 'available at a greater scale in the digital economy than was previously the case' (OECD 2014, p. 102).

To do so, the OECD put forward a series of 'Actions' to tackle the most egregious loopholes used to avoid or minimise tax: the two-year Base Erosion and Profit Sharing (BEPS) Action Plan was endorsed by G20 leaders and finance ministers initiated at their summit in St. Petersburg in September 2013 and centred around 15 Actions. The rationale of BEPS was to purge OECD countries of 'gaps and mismatches in tax rules'[2] which MNCs were able to exploit to minimise their tax burden, through three strategies: first, to establish a *coherent* set of common standards in the international tax system that prevent 'double-taxation' on the one hand, and mismatches in tax codes that facilitate tax avoidance strategies on the other. The second was to compel companies to declare the location (the 'permanent establishment') of the 'substance' of their commercial activity and profit-creation so as to determine conclusively where a company should pay taxes. The third is a series of initiatives to achieve the transparency necessary for the 'coherence' and 'substance' precepts to work effectively. The BEPS's project recommendations were published in October 2015. The structural effect of this initiative has been to establish a binary choice for finance ministers: for those states signed-up to the BEPS protocols, the umbrella protections designed to eliminate the mismatched tax codes would produce net policy gain.

The United Kingdom Diverted Profits Tax

In September 2013, the United Kingdom (UK) government endorsed the OECD/G20 BEPS initiative, but in December 2014 the government published draft tax legislation to move ahead of the OECD BEPS framework for a UK Diverted Profits Tax. In March 2015, the UK Chancellor George Osborne announced his intention to unilaterally implement a Diverted Profits Tax to tackle prominent tax minimisation strategies employed by MNCs. Two key tax minimisation strategies were targeted: first, structuring a company so to avoid having a taxable presence in the UK—the permanent establishment question. Second, the artificial transfer of profits to a second country with lower tax burden.

The UK's DPT instituted two 'limbs' to counteract these strategies (both eventually implemented in the Finance Act of 2015):

- Limb 1: This element targets MNCs that structure their business to avoid falling under the regulations for being taxed as a UK business. It introduces a charge on businesses that structure in such a way by introducing a charge on the additional profits that would have been generated if they had a presence in the UK. This is the 'permanent establishment' issue (The Finance Act 2015 (c. 11) Part 3, s.86).
- Limb 2: This element targeted MNCs that transfer profits out of the UK to affiliate companies based in low tax jurisdictions (defined as less than 80 percent of the UK rate). This introduced 25 percent tax on profits considered to be artificially diverted from the UK (The Finance Act 2015 (c. 11) Part 3, s.80 and 81).

Australia's Diverted Profits Tax Legislation

The UK Chancellors' Statement on the 3rd December 2014 signalled the UK Government's intention to introduce a DPT and,[3] just six days later, on 9th December 2014, the Australian Treasurer Joe Hockey publicly agreed his intention to learn from—though not to necessarily emulate—the experiences of the UK government:

> We are closely monitoring new developments in the United Kingdom. […] We are still working with the United Kingdom and better understanding the sorts of initiatives they're undertaking.[4]

The UK's DPT took effect on 1st April 2015 in the form of the *Finance Act 2015*. A fortnight later, at the G20 in Washington 16th–17th April 2015, the Australian Treasurer, Joe Hockey, announced a collaborative 'working group' initiative with the UK Treasury: 'the urgent establishment of a joint working group to further consider and develop initiatives in relation to diverted profits by multinational enterprises'. The joint working group was, Hockey claimed in media interviews, part of a shared concern to shape the global framework of taxation:

> Australia and the UK will work together to drive the global agenda, going after multinationals that are shifting profits away from the countries where they earn the income.[5] (Hockey, April 2015)

> This coordinated action by two leading jurisdictions such as Australia and the United Kingdom will strengthen the global framework so there'll be nowhere for companies to hide. (Hockey, April 2015)

These sentiments were made concrete in an Australian Treasury press release which acclaimed the UK approach to the DPT and underlined the Australian government commitment to following their lead (Fig. 10.2).

Though the working group was tasked to 'build on the UK's experience of introducing a Diverted Profits Tax', the operation of the joint working party, it was said, was 'consistent with the work of the OECD on Base Erosion and Profit Shifting' and would complement its work towards best practices:

The Chancellor of the Exchequer, the Rt. Hon. George Osborne, MP, and the Treasurer of Australia, the Hon. Joe Hockey, MP, announced during the course of the G20 meeting the urgent establishment of a joint working group to further consider and develop initiatives in relation to diverted profits by multinational enterprises.

The G20 meeting in Washington DC (16-17 April) highlighted the issue that, through contrived arrangements, some multinationals are diverting profits to avoid tax in their relevant jurisdictions.

The Ministers have resolved, subject to the completion of the UK general election, to establish a senior officials working group that will develop measures to address the diversion of profits by multinational enterprises away from their host countries.

Both the UK and Australia have sought to put in place competitive business tax regimes in order to encourage enterprise and investment, but those tax rates should be paid, not avoided through artificial structures.

The working group will build on the UK's experience of introducing a Diverted Profits Tax, which came into effect at the beginning of April.

Fig. 10.2 Press release, UK and Australia agree to collaborate on multinational tax (*Source* Press release announcing creation of Joint Working Party, http://jbh.ministers.treasury.gov.au/media-release/030-2015/)

[w]e are going to send officials over to the UK as soon as their election is complete and we are going to, together, lead the world and ensure that we work with the OECD in developing the very best practices.[6] (April 2015)

The pivot from policy learning to emulation occurred in May 2015, when the Australian government announced draft legislation, modelled on UK approach, for tax integrity multinational anti-avoidance law (MAAL). Several months later, in September 2015, the Treasurer Hockey introduced legislation that echoed the first limb of the UK's DPT: the *Combating Multinational Tax Avoidance Bill 2015*, which became the *Multinational Anti-Avoidance Law* (MAAL: taking effect in 11th December 2015; Department of the Treasury 2016, p. 2). The MAAL addressed company tax structures that sought to artificially avoid 'permanent establishment' as a taxable entity in Australia. However, a change in the party leadership—Prime Minister Tony Abbott was replaced by Malcolm Turnbull in a leadership spill—led to a cabinet reshuffle, and Joe Hockey was replaced as Treasurer by Scott Morrison on the 21st September 2015.

A second piece of legislation, The Diverted Profits Tax (DPT), was announced by the subsequent Treasurer Scott Morrison as a key element of the Turnbull Government's 2016–2017 Budget. Introduced as the *Diverted Profits Tax Bill 2017* at the same time as the *Combating Multinational Tax Avoidance Bill 2017*,[7] Treasurer Morrison declared that the intention of the DPT would be to 'prevent multinationals shifting profits made in Australia offshore to avoid paying tax'.[8] Morrison further announced increased penalties for non-compliance and instituted the OECD's transfer pricing recommendations. Additional features of the DPT include:

- Permitting the Commission to make 'a reasonable assessment of the available information',
- An up-front diverted profits tax liability of 40%, and
- Disallowing MNCs to introduce information in an appeal that had not been previously disclosed to the Australian Tax Office.

With the change in leadership, a different policy narrative was struck for Australia's work countering MNC tax minimization. As Treasurer, Hockey had pursued a public narrative explaining the experiences of the

UK government and the ambition of the Australian Treasury to learn from their experiences. Yet, rather than appealing to the UK experience, the new Treasurer Scott Morrison frequently appealed instead to the multilateral efforts of the BEPS initiative, though departmental policy documents maintained references to the UK DPT work (see Section 3), as did his deputy, Kelly O'Dwyer MP, Minister for Revenue and Financial Services:

> We're basically looking at the second limb of the UK's diverted profits tax and introducing that legislation in Australia by looking at companies that are using contrived arrangements to shift their profits overseas to avoid the tax here.[9]

The second plank of tax avoidance legislation, the Diverted Profits Tax Bill, was announced 3rd May 2016, as part of the 2016–2017 Budget. Introducing the Scott Morrison 'Schedule 3 of this bill amends Australia's transfer pricing law to give effect to the 2015 OECD transfer pricing recommendations'.[10] The intention of the Bill, it was stated, was to 'eliminate 'hybrid mismatch arrangements' and implement the OECD BEPS' project updated Transfer Pricing Guidelines.

In February 2017, Treasurer Morrison reinforced the narrative that the DPT was part of an effort to align with the OECD BEPS project. He stated: 'we introduced country-by-country reporting […] This is obviously consistent with the BEPS process, which we have been a key partner in with our partner jurisdictions around the world—particularly, driven through both the OECD and the G20'.[11]

Structurally Constrained and Ideationally Channelled Policy Transfer

Australia's process of tax policy change is unusual in its extensive references to its external sources of ideas. Often one or more countries are cited as models for an approach, but the Treasury consultation and Treasurer and Assistant Treasurers' statements leave little doubt that the UK approach underpinned the Australia MAAL and DPT in the first instance, and the OECD BEPS initiative in the second. That this is so is subject to multiple analytical 'lenses', derived from and expressed the morphogenesis of policy transfer (see Fig. 10.3).

T^1 **STRUCTURE** Growing dilemma induced by MNCs and globalisation; Policy pressure from OECD BEPS initiatives

T^2 **INSTITUTIONAL PARADIGM** Ideational flux: constraint of prior decisions and scope of possible policy choices

T^3 **AGENCY** Conditional policy learning: scope of learning shaped by available and acceptable (Anglosphere) policy options

T^4 **STRUCTURAL** Policy elaboration bolstering OECD initiatives and UK

Fig. 10.3 Institutional morphogenesis in Australian MNC tax policy action

T^1 *A structural (exogenous) policy diffusion:* The OECD is a body that operates explicitly on peer pressure. It is established to operate as a mechanism to identify 'best practices' and then advocate for countries to adopt those practices. In doing so, policy norms are diffused amongst member and non-member states (cf. Pal 2012; Legrand and Vas 2014). The OECD BEPS project was intended to do precisely this in the context of tax minimization, and the public narratives of both Treasurer Hockey and Morrison appealed to the need to maintain international alignment as a means to, especially, resolve the mismatch tax arrangements. Yet, initially at least, it was argued by Hockey that the OECD BEPS project was necessary but insufficient to the problem at hand: 'Whilst we recognise the OECD is undertaking work which Australia initiated and promoted last year, we obviously want to go further and faster'. (April 2015)[12]

T^2 *Institutional (endogenous) policy constraint*: Divining the political strategy pursued by the Australian Treasurers is a matter of unpicking their respective narratives. For Hockey, partnership with the UK was presented as a means to lead global collaboration on tax minimization. Yet, rather than making a claim that Australia was unilaterally leading change, Morrison claimed that Australia was pursuing multi-lateral *collaboration*. He did so by underlining the linkages in Australia DPT with the recommendations and best practices laid out in the OECD BEPS.

T^3 *Conditional policy learning:* The 'further and faster' maxim entailed emulating (i.e. adopting with adaptions) the UK approach: a state that has long been an ideologically proximal laboratory of learning for Australia (and vice versa). Treasurer Hockey made regular pronouncements on the intention of the Australian government to learn from the UK, and to participate in a joint working group. Discerning the nature of learning is more problematic, yet we might regard learning this case as *policy emulation* for two reasons: first, key 'limbs' were taken from the UK experience of the DPT, but implemented in different legislative form two parts: the MAAL 2015 and then the DPT 2017. Second, the penalty provisions were made more severe by the Australian government. Announcing the MAAL in May 2015, the Treasurer Joe Hockey announced, 'Our penalties for diverted profits will go much further than the United Kingdom' (40% compared to 25%). It has also been observed that, unlike the UK DPT, 'the Australian DPT will not require upfront disclosure and will not be self-assessed'.[13]

T^4 *Structural (policy) elaboration:* The implications of the dual-track policy change strategy pursued by Hockey/Morrison may not become fully apparent for several years. However, there is little doubt that the trajectory of tax minimization policy has swung towards the collective action strategy of BEPS pursued by the G20/OECD. At the same time, for future Australian Treasurers and UK Chancellors, the newly-instituted tax laws operate as policy constraints/facilities (depending on how they operate). The cumulative effect is both material and ideational: the laws combating tax minimisation will undoubtedly induce MNCs to restructure their operations—which may or may result in a net tax gain for the publics of those states affected—and in doing so reshape the balance of multinational business. Ideationally, the principle of successful collective policy action has established a possible precedent: policy challenges that are fundamentally collective action dilemmas stand to benefit from the example set by financial minister, for example: global emission reductions, refugees and asylum seekers, and so on.

The dynamics of Australian policy-making, as suggested here, are a product of multiple structural and agential interactions. Structurally, the contribution of this case has been to show how the scope of agency in policy-making is constrained by material economic processes—how MNCs transact cross-border business—and the collective actions undertaken by international bodies; the G20 and OECD in this case. Agentially, the scope of decision-making itself is also constrained and channelled by, first, prevailing policy paradigm of institutions and,

second, the scope of possible policy lessons narrowed to those sources of ideas regarded as institutionally or ideologically commensurate, leading to policy emulation. Crucially, as suggested by the morphogenesis, these are interactive elements of a contingent process which requires theoretical reflection on the complex interactions of structure and agency.

Theoretical Implications

These arguments circumscribe intertwined structural and ideational influences on and of policy transfer as a product of learning. As suggested by the institutional-morphogenesis framework outlined above, policy transfer is the product of simultaneous (though analytically separable) structural forces, institutional policy paradigms and agent learning. These policy transfer dynamics can be elaborated thus:

(i) *Exogenous contextual imperatives and opportunities are crucial to driving the search for policy ideas from elsewhere*

Globalization and the manifestation of multinational corporate structures induces new challenges to states. The emergence of non-tangible produces threatens this, but agents are not powerless. Phillip Cerny argues that 'the myriad structural variables that are involved in the globalization process do not merely constrain actors but also provide them with expanded opportunities for exercising leverage within that process, *feeding back into shaping globalization itself*' (my emphasis, 2000, p. 439).

(ii) *Policy officials resort to policy transfer where the structural imperatives narrow available domestic options*

In looking elsewhere, policy-makers are not *committing* themselves to taking a policy from overseas (though they are learning as they do so): they assess the potential of other policy options from the limited range of policy lessons and, indeed, they may only rely on these as negative lessons (cf. Dunlop 2017). Yet, the influence of International Organizations in, as shown here, promoting the transfer of collective action policy can produce only a narrow range of options for a state: to join the process of deliberation to influence the resulting collective policy initiative; stay outside of that process and accept its outcomes; or to refuse to engage with or adopt the policy initiative, but risk falling

outside the benefits of collective action. The adoption of policies from elsewhere may, therefore, be the product of constrained choices.

(iii) *The policy ideas of like-minded countries are influential in setting the scope of what outcomes are achievable*

We see this dynamic manifest in structural conditioning, insofar as policy officials' learning is influenced by the layers of identity formation and context that gives content to *whom* they choose to learn from. Learning is thus preconfigured to privilege some idea caches above others. It is well-documented, for example, that Anglosphere states have a long-standing affinity for bilateral policy learning, and particularly between the UK and Australia, where there is, according to Carson and Kerr, 'a long tradition of policy learning and emulation […] in both directions, and a continuing cultural connection underpinning policy development in each country' (2010, p. 41; see also the 2016 special issue in *Policy Studies* on Australia-UK policy learning [Manwaring 2016]). Collective identities are not (necessarily) based on geographic regions, as the case study of the Anglosphere suggests, nor are they deterministic, rather they operate as structural endogenous *influences* to coalesce relationships through shared identities, norms and values (see Legrand 2015, 2016). This position is manifest amongst Anglosphere states sharing, as noted above, considerable historical, political, social and cultural linkages.

(iv) *In acting, policy-makers contribute to the same structural and institutional imperatives of their operating environment (and that of others too)*

Policy officials' actions have consequences that change the possibilities and opportunities for the future. This reflexivity is exhibited in relation to both structures and institutions. As Skocpol argues:

Policies not only flow from prior institutions and politics; they also reshape institutions and politics, making some future developments more likely, and hindering the possibilities for others. (1992, p. 531)

This rationale is intrinsic to the positon of historical institutionalists, who suggest that path dependencies constrain the available options of policy-making, in other words, affects policy-making. The process of instituting new

T^1 **STRUCTURE** Contextual imperatives to adapt or adopt prevailing policy framework

T^2 **INSTITUTION PARADIGM** Ideational selectivity constrains prior decisions, scope of possible policy choices and compatible states to learn from.

T^3 **AGENCY** Conditional policy learning: scope of learning shaped by available and acceptable policy options

T^4 **STRUCTURAL** Policy decision-making elaborates new structural and institutional imperatives

Fig. 10.4   Institutional morphogenesis in policy transfer

ideas itself changes the conditions in which policies are made, as depicted in Fig. 10.4: this has been given empirical backing by Gilardi and Wasserfallen who argue, 'Tax competition is a prototypical case of policy interdependence in which the policy choices of one jurisdiction are influenced by those of others, and influence them in return' (2016, p. 62) (Fig. 10.4).

Conclusions

Growing domestic and international opprobrium over the more egregious tax minimisation strategies pursued by MNCs induced the Australian government to explore new ways to transform their tax codes. In this context, the opportunities for action faced by successive Treasurers were constrained by both the scope of available lessons from comparable states and the efforts under way by the G20/OECD to pursue a strategy of collective action. For policy transfer theorists, this case is challenging to conceptualise clearly: on the one hand, the Australian government had claimed their pursuit of a direct policy learning relationship with the UK's experiences. Yet, on the other, with a change in Treasurer came a change in narrative—that alignment with the G20/OECD BEPS initiative was the driving motivator for tax reform. Unpicking the dynamics of structural influence and agential intention is far from straightforward, but as argued above, the case of Australian MNC tax reform offers an unusual opportunity to reflect on the question of structure and agency in policy transfer.

The analysis offered here emphasises the limits of agency and influence of structure in the process of cross-border policy learning. The case offers useful insights to understanding how policy emulation (as cross-border policy transfer) is produced through policy learning constrained institutionally and ideationally as well a complex operating environment in which policy decisions involve trade-offs to meet international imperatives of collective action. As argued above, policy transfer is a product of the *contingent* interplay of learning agents, ideas and structures that interact to generate conditions which: produce imperatives for policy action; privilege specific countries' experiences; elevate policy ideas that resonate with prevailing paradigms; and limits the available opportunities for action. In a globalising environment, these are dynamics that are likely to intrude increasingly in domestic policy spaces. As they do so, the intermingling of structural imperatives, institutional paradigms and policy decision-making is a dynamic likely to become radically pronounced more policy transfer scholarship.

Notes

1. To accommodate companies based in more than one country—multinational companies (MNCs)—states have historically entered into bilateral agreements to avoid imposing a taxation impost on a company in both jurisdictions: so-called 'double taxation'. Corporations can exploit the differences, or the 'mismatch', of tax regimes to minimise their tax bill.
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Median Problem Pressure and Policy Learning: An Exploratory Analysis of European Countries

Philipp Trein

Governments spend large amounts of tax money on the evaluations of public policies and the development of new policy solutions, such as pilots, to explore the effectiveness of specific policy instruments. The knowledge that is acquired through policy research should, ideally, enter the policy process in a way that benefits society collectively rather than the political agenda of individual policymakers. Nevertheless, all policy-making is by definition political, and participants in the political process pursue—at least to some extent—political interests. Consequently, due to the nature of the political process, policymakers are always tempted to use policy knowledge for their political goals or to influence the production of policy relevant knowledge strategically for their own interests. On the other hand, public support for politicians depends also on their ability to deal with policy problems. Thus, how to strike a balance between policy-oriented and power-oriented use of knowledge is an important

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question for researchers and policymakers alike. This chapter addresses this question.

The public policy and political science literature have devoted quite some attention to policy learning. It is established knowledge that policy learning, i.e. the update of policy relevant beliefs (Braun and Gilardi 2006, p. 306), is important for policy change. Researchers argue that learning is important to explain why policymakers change their beliefs about individual policies (Heclo 1974; Sabatier 1988) and have used the concept to explain fundamental shifts in public policies (Hall 1993). Authors distinguish different types of learning, for example, on the one hand, instrumental and social learning that refer to the updating policy relevant information for the purpose of improving policies (Zito and Schout 2009, p. 1110). Notably, instrumental learning entails the transfer of policy relevant knowledge, which is substantiated by empirical policy research at home or experiences abroad, into improved policies (Daviter 2015, p. 493; Radaelli 1995, pp. 162–163). On the other hand, political learning—i.e. learning for political purposes—occurs when policymakers use policy knowledge for political purposes, for example to pursue power related interests rather than to improve a policy (Bennett and Howlett 1992; Gilardi 2010; May 1992). Although previous research points to the use of knowledge for political purposes (Boswell 2008; Gilardi 2010), empirical analyses of learning tend to overestimate the impact of policy relevant knowledge for reforms (Radaelli 2009, pp. 1146–1147) and to underestimate power-related learning processes, particularly in cases where problem-solving would entail political costs (Howlett 2012, p. 540). In addition, recent contributions to the policy learning literature propose modes of learning, which also entail defective forms of policy-oriented learning (Dunlop 2014, 2017; Dunlop and Radaelli 2013).

This study explains under which conditions policymakers learn to improve policies rather than to use information for political purposes only. For this purpose, the article starts with two different ways of learning: (1) policy (instrumental) learning or policy-oriented learning, and (2) political learning or power-oriented learning (Weible 2008; Zito and Schout 2009, p. 1110). In other words: political learning resembles powering whereas policy-oriented learning points to puzzling (Heclo 1974) as the dominant logic of action in the decision-making process.

To analyse whether policy-oriented and power-oriented learning dominates a reform, we proceed with an explorative and inductive

empirical analysis. Therefore, the chapter maps different social policy reforms, in the following countries and policy areas: organizational reforms of welfare delivery, in Denmark, Germany, Switzerland, and the United Kingdom (UK); pension reforms, in Belgium, Germany, the Netherlands, and the UK; minimum wage legislation, in Germany and the UK; and, crisis related labour market reforms, in Greece, Italy, and Spain. The empirical analysis draws on already published case studies (Bonoli 2000; Champion 2013), and new research reports that researchers conducted in the context of the INSPIRES project.[1]

The case studies show that learning behaviour of decision makers varies depending on the problem pressure against which policymakers do a reform. Functional problem pressure (Kingdon 1995, pp. 90–115), for example high unemployment rates (Starke 2006) or significant levels of pollution (Holzinger et al. 2008), are an important variable in the decision-making process (Kingdon 1995, pp. 90–115). The case studies demonstrate that the chance for problem-solving-oriented learning is biggest, if policymakers conduct a reform against the backdrop of what will be called a 'median problem pressure'. Median problem pressure entails the condition that a given policy problem is severe enough for policymakers to update their beliefs in a way that leads to a solution of the policy problem but that does not need immediate reaction. In such circumstances, there is enough time for policy knowledge to build up and for substantiated facts to enter the political process. Examples of a median problem pressure are pension reforms and minimum wage legislation. These are salient and thus important problems but the time span for reforms usually leaves some time to react. Furthermore, the analysis shows also that political institutions moderate how policymakers learn. Notably, problem-solving-oriented learning under median problem pressure occurs especially in countries with a rather consensual political system.

Contrariwise, the analyses show that if problem pressure is very low or very high, there is above all power-oriented learning. If problem pressure is very low, policymakers do not care about policy improvement too much because they do not fear electoral punishment for political inaction, policy failure, or reforms that clearly serve their political purposes instead of solving a policy problem. For example, in the case of organizational reforms of the welfare state, policymakers in Denmark, Germany, and the UK did not even wait for pilot projects to finish before they decided to reform welfare delivery, whereas, in Switzerland, they

continued such a project despite negative evaluations. On the other hand, if problem pressure is very high, there is no time for much substantive (policy-oriented) learning before the reforms. Thus, quick and politically feasible solutions are put into place to tackle the policy problem and to demonstrate political activity. In this case, learning occurs if at all by trial and error rather than by strategic planning and testing of policy solutions. Examples, for political learning are the anti-crisis policies in Southern Europe, which, due to the enormous problem pressure and the necessity to act on time, allowed little time for an extensive learning process.

DEFINING LEARNING

Following our introductory chapter, a common definition of learning is '… as the acquisition of new relevant information that permits the updating of beliefs about the effects of a new policy' (Braun and Gilardi 2006, p. 306; Dunlop and Radaelli 2013). The updating of beliefs can occur in different ways. Firstly, evidence to support new policies can be generated from research undertaken abroad or domestically. Such research can, for example, take the form of pilot programs, experiments or simple statistical simulations (Martin and Sanderson 1999). Secondly, learning can occur by mimicking (Hemerijck and Visser 2003, p. 22) policy experiences in other countries (Gilardi 2010) or from subnational governments in the same country (Shipan and Volden 2008). This way of learning is often based on trial and error principle because it is not at all evident that transferring a policy from one country or jurisdiction to another will contribute to solving the problem at hand but might have instead negative social and economic consequences (Hall 2011). Thirdly, learning can occur as a result of the influence of international actors. For example, the EU seeks to influence policymaking in its member states methods through mutual learning, such as in the Open Method of Coordination (OMC) (Zeitlin et al. 2005).

As mentioned before, the literature on learning has distinguished different types of learning (May 1992, p. 336; Zito and Schout 2009, p. 1110). For our study, we need a relatively modest approach to the understanding of policy learning. We just need problem-solving-oriented or policy learning and power-oriented or political learning.

Problem-Solving-Oriented or Policy Learning

The first type of learning shall be called problem-solving-oriented or policy learning. This way of learning emphasizes that learning entails adopting new policy instruments or changes in existing policy programs (Bennett and Howlett 1992, p. 289). In other words, policymakers prioritize a problem-solving logic rather than powering logic in a reform process (Culpepper 2002, pp. 775–776; Heclo 1974, p. 305; Hoppe 2011). According to this view of learning, the updating of beliefs contains the evaluation of policy instruments or changes of policy designs based on experiences made during implementation, experiments, or pilot studies, for instance. The public policy literature has referred widely to this notion of policy learning, speaking either of policy learning or instrumental learning whereas the latter is the most precise term because policy learning may also entail social learning (May 1992, p. 336). Put differently, this form of learning refers to the use of policy information in line with professional and scientific standards to change policy instruments (Daviter 2015, p. 493; Radaelli 1995, pp. 162–163; Weible 2008, pp. 620–621). Social learning, which is a widely-used term in the public policy literature (Hall 1993), is different from instrumental learning (May 1992, p. 336). Social learning refers not only to changes in policy instruments, but also to the broader ideas and interpretative frames that form the paradigm—or Gestalt—of policy, which determines the hierarchy of different instruments, and a wider strategic vision-building for a policy (Hall 1993, p. 279).

Power-Oriented or Political Learning

The second type of learning is power-oriented or political learning. Here we find the strategic usage of knowledge to serve power-related goals of individuals and organizations (Boswell 2008, p. 474; Radaelli 1999). According to Peter May, 'Political learning entails policy advocates learning about strategies for advocating policy ideas or drawing attention to policy problems. The foci are judgments about the political feasibility of policy proposals and understandings of the policy process within a given policy domain' (May 1992, p. 339; Weible 2008, p. 620). This definition entails a clear reference to the importance of political strategies and their adaptation, in addition to new policy ideas. This idea is

not new. Already Hugh Heclo's seminal work on social policy underlines the importance of political elites for learning (Heclo 1974, p. 319). The rationale behind the idea of political learning is that organizations are interested in maximizing their legitimacy. According to DiMaggio and Powell, organizations mainly strive to improve their legitimacy in their environments (DiMaggio 1991, pp. 30–31). Taking a similar perspective, May, Bennett and Howlett refer to political learning as governmental learning, in the sense that state officials learn how to improve the political process to pursue political interests. Put differently: collective actors learn new strategies to attain their political goals (Bennett and Howlett 1992, p. 289; Sabatier 1988), or avoid policies as they are too costly politically (Wildavsky 1979, pp. 385–406).

The Relationship of Both Learning Types

I assume that—under certain conditions—there can be a trade-off between policy learning and political learning. Admittedly, political success and reforms that solve pressing problems oftentimes go hand in hand with one another. Imagine policymakers that are successful because they passed successful policies, such as measures to reduce crime rates. In this case, it is easy to understand that the presence of a problem—high crime rates—lead to an update of beliefs—learning—and thus new policies emerge, such as more police and better schooling. This reduces crime rates. In this case, problem-solving-oriented and power-oriented learning go hand in hand as the policy solved the actual problem for society and elected officials profited from the policy electorally.

Nevertheless, this situation is idealized. In many instances, problem solving comes along with political costs. For example, reducing public expenditure for social policies or reducing labour protection might result in electoral losses, whereas powerful interest groups might oppose environmental regulations. Political science provides us with many examples for this. Notably, research on welfare state retrenchment (Hacker 2004; Natali 2002; Pierson 1994) and immigration (Boswell 2008) has underlined the political use of knowledge or pointed out that policymakers pursue reform strategies that first and foremost avoid political costs. Furthermore, in some cases, policy research is produced with the single goal to support political goals instead of solving a problem (Bonoli and Trein 2015; Fleckenstein 2011; Oreskes and Conway 2010).

The reason for such behaviour is that policymakers and interest groups either want to deliberately put into place policies that serve their

interest even if they do not serve the common good or they want to avoid being blamed for unpopular policies (Hood 2010; Howlett 2012, p. 540). Consequently, there is a trade-off between policy learning and political learning. To borrow the words of Hugh Heclo: when 'powering' is dominant, there is less room for 'puzzling on behalf of society' (Culpepper 2002, p. 775; Heclo 1974, p. 305). It is exactly this relationship between problem-oriented and power-oriented learning that I will explore in the rest of this chapter.

Median Problem Pressure and Learning

What discriminates puzzling from powering? The key variable is the functional problem surrounding a reform. Problem pressure denotes the necessity for reforms in a given policy field. For example, the welfare state retrenchment literature points to external and internal problem pressure, such as globalization or pressure to consolidate budgets (Starke 2006, p. 107). The literature on environmental policy also refers to problem pressure, for example, CO_2 emissions or energy use to denote the demand for implementing a reform (Holzinger et al. 2008, p. 562). In other words, problem pressure refers broadly to the demands for reform, which the environment of the political system allocates (Easton 1957, pp. 387–390; Schwartz 2001). In other words, reform pressures are somewhat obvious indicators that policymakers use to gauge the reform demand in a policy field but also external events, such as economic and environmental crises (Kingdon 1995, pp. 90–93, 94–96).

The degree of problem pressures (potentially) varies greatly between different policy fields and perhaps even within a single policy field. For example, quickly raising public debts in times of economic downturn need much faster attention than a slow but steady increase in Medicare expenses. Or, an environmental catastrophe that threatens human lives needs more immediate attention than coordination problems in public services. To take into consideration these differences, I distinguish three broad categories of problem pressure: low, median, and high problem pressure. Although these categories are very broad they are sufficient for the purpose of my argument.

An important criterion for using problem pressure in political analysis is its perception by policymakers. Objective indicators are perceived differently in various contexts, for example policy entrepreneurs could frame a policy idea as response to an allegedly pressing problem by

increasing its valence (Cox and Béland 2013, pp. 317–318) although it is in fact an objectively rather minor policy challenge. In the remainder, I follow however the assumption that—overall—problem pressure correlates with the perceived necessity for political action. The higher the problem pressure, the more salient is an issue for voters and interest groups (Culpepper 2010) and thus the risk of no or wrong political action. For example, if problem pressure is very high, an issue should be very salient, and so should be the risk of political inaction. In such a case, a problem needs to be solved but policymakers also need to show action for political reasons, for example, during the financial and economic crisis or a foreign policy crisis. In case problem pressure is very low, the issue at stake is not very salient and the risk of no or wrong political action remains low. If median problem pressure is present, a problem is salient, but there is no need for immediate political action, however, the problem is serious enough that political inaction will be punished. How different forms of problem pressure are linked to policy-oriented and power-oriented learning will be subject of the following illustrative empirical analysis.

Empirical Illustrations

This chapter proceeds with a comparative and explorative analysis of the link between problem pressure and policy-oriented as well as problem-oriented learning. This research design follows a logic of inductive iteration, i.e. we defined previously the main theoretical elements but we will explore the nature relationship between the dependent variable (learning) and the main independent variable (problem pressure) in an inductive manner (Yom 2015). The case studies were selected according to their variance on the main explanatory variable of interest, namely problem pressure. The purpose of this empirical section is to explore the link between problem pressure and learning in an inductive manner but not to provide a research design that systematically test the proposed hypothesis against competing explanations (George and Bennett 2005, pp. 115–123). Therefore, the analysis employs a comparative case study design aiming at theory development (George and Bennett 2005, pp. 111–115) through a meta-analysis of case studies that help to illustrate the link between problem pressure and learning. In other words, this chapter itself does not present new in-depth case studies but summarizes the result of existing case studies to draw theoretical lessons.

Case Selection

The case studies selected for the empirical part vary according to their relative problem pressure.

1. Low problem pressure: coordination of welfare delivery. The first group of reforms concerns changes in the delivery of social policies, namely better coordination of the provision of welfare services, for example, integrated job centres, in Denmark, Germany, Switzerland and the UK. The functional problem pressure regarding these reforms is relatively low, compared to the following two groups, as the reforms are less salient and the immediate risk of political inaction is low compared to other problems such as economic downturns. Admittedly, the reforms were part of welfare retrenchment and the activation turn in social policies (Bonoli 2010), nevertheless, if government would not have implemented organizational reforms of welfare delivery, there would have not been an immediate threat to the stability of the welfare state and the economy. Thus, the political risk of inaction and the ignorance of policy relevant knowledge and no or ineffective reforms is low.

2. Median problem pressure: increasing retirement age and minimum wage. The second group of reforms entails the increase of retirement age, in Belgium, the Netherlands, Germany, and the UK and the introduction of a general minimum wage, in Germany and the UK. These reforms have a median problem pressure, as they are more salient politically than the previous group but there is no need to for immediate political action. Nevertheless, no political action is risky as the median-term consequences can be problematic. No pension reforms might endanger the financing of retirement funds in the future, whereas not putting into place a minimum wage might increase the negative effect of labour market dualization as the less qualified will be less protected socially.

3. High problem pressure: crisis related labour market reforms. The third group of reforms comprises of policies against the socio-economic repercussions of the economic and financial crisis. In these cases, problem pressure is very high, because the crisis is a salient issue and for political reasons policymakers cannot afford to wait until policy research develops well-designed and well-tested solutions. Precisely, these are social policy and labour market

reforms that passed in Greece, Italy, and Spain during the recent crisis period. The implementation of these reforms occurred in a context of strong problem pressure and demand for immediate reaction to the crisis situation.

The case studies are based on reports for the EU-funded research project INSPIRES and other already published case studies.[2] Precisely, the chapter uses material from the following sources. Regarding organizational reforms of the welfare state, this article relies on the findings of a PhD project, which has been conducted at the University of Lausanne and is available for public use (Champion 2013). Information regarding the pension reforms and minimum wage legislation originate from already published research in the field (Bonoli 2000) as well as from research reports that country experts conducted in the context of the INSPIRES research project, and which are published online (Aa et al. 2015; Jansen and Knuth 2015; McEnhill et al. 2015; Struyven and Pollet 2015). Regarding anti-crisis policies, we rely also on research reports conducted by national experts in the INSPIRES project (Martínez-Molina et al. 2015; Papadopoulou et al. 2015; Sergi et al. 2015).

Overview of the Cases

The first group of social policy reforms—organizational reforms in welfare delivery—comprises of empirical examples from Denmark, Germany, Switzerland, and the UK. In all of these countries, governments ran pilot projects to test more coordinated reforms of welfare delivery, such as social assistance and job activation measures, to find out whether the measures actually solved the problem at hand, i.e. reduced unemployment. In three countries—Denmark, Germany, and the UK—national governments decided to implement the reform nationally, before the pilot projects had finished (Table 11.1). The reasons for this were political. In Denmark a window of opportunity appeared, which created a possibility to implement this particular reform (Champion 2013, p. 224). In Switzerland the government waited until the pilot finished before it decided to continue the project MAMAC, although the results of the evaluation showed that the reforms had no positive impact on employment rates. The national government ruled however to continue the project for political reasons, as it believed that the instrument had

Table 11.1 Social policy reforms and policy-oriented learning

Problem pressure	Reform type		Impact of learning on change
Low	Organizational reform of the welfare state	DK	Pilot project: Spring 2003–End 2005; Decision by government to adopt policies in April 2004 (Larger reform program) (Champion 2013, p. 224)
		GER	Pilot project (MoZArT): April 2001–End 2003; Decision to adopt the reform in August 2002 (Champion 2013, p. 224)
		CH	Pilot project (MAMAC): 2005–2009; Government waited until the project ended, but decided to continue it despite little employment effects of the measure (Champion 2013, p. 226)
		UK	Pilot project (ONE pilots): June and November 1999–April 2002; Decision to adopt the reform in March 2002 (Champion 2013, p. 224)
Median	Increasing retirement age	BE	Feedback by the EU Commission regarding specific actions; learning in domestic pension reform commissions; incremental reforms: Generation pact 2005, Re-revision of pension age in 2012 and introduction of stricter regulations for early retirement (Struyven and Pollet 2015, pp. 10–13)
		NL	External evaluation by the EU Commission and the OECD, and pension reform commissions; political resistance for a long time; increase of retirement age from 65–67 initiated in 2008, passed in 2015 (Aa et al. 2015, p. 17)
		GER	A number of reform commissions evaluated the necessity to cut costs, since the 1990s (Jansen and Knuth 2015, pp. 37–41); Incremental reforms since the 1990s to reduce early retirement (1996, 1999) and increase of the pension age (2004, 2007, 2013) (Jansen and Knuth 2015, pp. 30–31).
		UK	Government related agencies produced most of the evidence to support the increase of retirement age; Cost containment related reforms in the 1980s; increase of contributions for low income earners during the 1990s (Bonoli 2000, pp. 52–85; Schulze and Moran 2006).
	Minimum wage	GER	Evidence for effectiveness produced by different research institutes and pilots in specific sectors; fact-findings missions in the UK (Jansen and Knuth 2015, pp. 48–49). Incremental reforms (1996, 2001, national introduction 2015) (Jansen and Knuth 2015, p. 12).
		UK	Positive evaluations in the US, no evidence from Britain (McEnhill et al. 2015, p. 34). Introduction by New Labor in 1998 for political reasons; later evaluations did not find negative effects of the policy (McEnhill et al. 2015, p. 36).

(continued)

Table 11.1 (continued)

Problem pressure	Reform type		Impact of learning on change
High	Labour market reforms in times of crisis	GRE	Voucher for unemployed to be trained in private companies; Suggestion by OECD 2005; implemented 2011 during the crisis (Papadopoulou et al. 2015, p. 12), no lasting employment effect (Papadopoulou et al. 2015, p. 15). Temporary public works program, 2011; Created as a reaction to the crisis; No lasting employment effect (Papadopoulou et al. 2015, p. 12).
		IT	Adaptation of apprenticeship program, 2011, 2015; First reform in 2003 followed the French model; 2012 shift towards the dual German model, fact finding missions to Germany (Sergi et al. 2015, pp. 51–53). Reform unemployment policy; New ALMPs to receive ESM money in 2009; regions received freedom to experiment with funds, but made little use of it though (Sergi et al. 2015, pp. 55–56).
		SP	Temporary assistance scheme for unemployed to support reinsertion, 2011 (Martínez-Molina et al. 2015, p. 16); government set up the programme although prior pilots showed that it was not successful in putting people back to work permanently (Martínez-Molina et al. 2015, pp. 49–50). Programs to encourage youth entrepreneurship (2013–2016); implemented according to EU strategies rather than the experience of Spanish civil servants (Martínez-Molina et al. 2015, pp. 43–44).

positive effects for administrators and was of important symbolic value (Champion 2013, p. 226).

The median problem pressure reforms show to some extent a different relationship between problem-solving-oriented learning and the implementation of reforms, than the reforms selected due to low problem pressure. Regarding learning in the case of pension reforms, notably the increase of retirement age, the facts regarding the necessary reforms were clear, for example, that there was a demand for cost containment. One possible solution for this was to increase retirement age slowly. The case studies regarding pension reforms in Belgium, Germany, and the Netherlands show that policymakers learned and deliberated, for example in expert commissions, and that it took quite some time, until findings regarding increasing retirement age are visible in reform outcomes (Aa et al. 2015, p. 17; Jansen and Knuth 2015, pp. 30–31, 37–41; Struyven and Pollet 2015, pp. 10–13). In the UK, the dynamic of pension reforms was different because the pension reform of 1986 dealt already with future costs of the pension system, and subsequent reforms during the 1990s handled the amount of pension contributions, especially for those with low incomes (Bonoli 2000, pp. 52–85; Schulze and Moran 2006). The example of minimum wage legislation underlines this argument even further. Thereby, the German case study shows that policymakers learned in a policy-oriented manner before they decided to introduce this legislation, in 2015. This learning process took several years and contained, to illustrate, pilots in specific economic sectors that included an evaluation of whether minimum wages have negative employment effects (Jansen and Knuth 2015, pp. 12, 48–49). In the UK, the national government introduced a minimum wage without conducting pilots before that and relying mostly on experiences in the United States. Later evaluations of the minimum wage in the UK revealed that the law has no negative impacts on British economy (McEnhill et al. 2015, p. 36) (Table 11.1).

The third group of reforms are the 'anti-crisis policies' that governments implemented in a number of European countries. Concerning the relationship between policy-oriented learning and policy change, the case studies reveal that there was little time to find out whether the anti-crisis policy instruments actually yielded a positive employment outcome. For example, the governments of Greece and Spain passed policies to temporarily support unemployed individuals, for example, temporary employment programs and vouchers for vocational training in private

companies in Greece, or the youth entrepreneurship programs in Spain (Martínez-Molina et al. 2015, pp. 43–44; Papadopoulou et al. 2015, pp. 12–15). Governments created these policies fast, as a reaction to political pressure and ideas from international organizations, however, without clear evidence about whether these policies would have actually the intended effect. In Spain, the government put into place temporary assistance schemes for unemployed although it new that they would not lead necessarily to better employment effects (Martínez-Molina et al. 2015, pp. 49–50) (Table 11.1).

Causal Links Between Problem Pressure and Learning

What do these examples tell us regarding the causal mechanisms of the connection between problem pressure and learning? Overall, the results suggest that reforms follow a policy learning logic against the backdrop of median problem pressure. In addition, the cases studies point also to the importance of institutions for problem-oriented learning.

Learning and Problem Pressure

Concerning the organizational reforms of the welfare state (low problem pressure), reforms in all four countries have in common that policymakers did not wait until pilots finished before they implemented the reform or put the reform into place even though the evaluations showed no effect of the reform on policy outcomes (Switzerland). In these cases, policymakers decided to implement the reform either before the actual learning process finished, i.e. before pilots ended, or despite that pilot projects produced negative results. Nevertheless, in all cases, a policy-oriented learning process started because government commissioned research regarding organizational reforms of the welfare state, but eventually the impact of the results of policy related research on policy change remained limited and policymakers decided mostly according to political reasons (Fig. 11.1).

Regarding the anti-crisis policies (high problem pressure), the comparative analysis of case studies revealed that there is a limited impact of problem-solving-oriented learning in the policy process, in the sense decision-makers collect evidence for the actual effectiveness and efficiency of the instruments before adopting them. In the case of the temporary employment program in Greece and the reinsertion
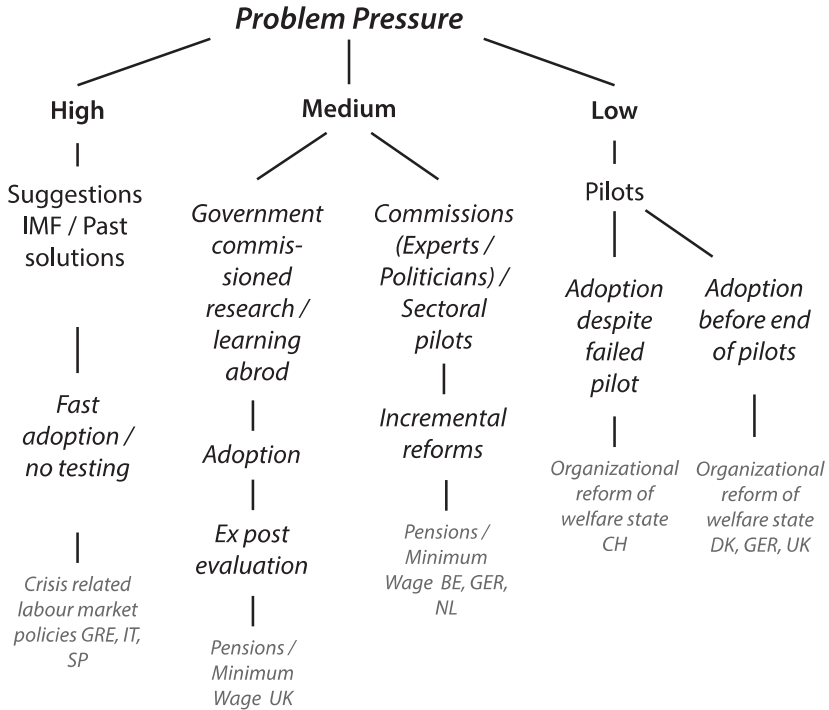
Problem Pressure

Fig. 11.1   Problem pressure and learning in a comparative perspective

measure in Spain, this was not possible due to the urgency of reforms (Martínez-Molina et al. 2015, p. 16; Papadopoulou et al. 2015, p. 12). Governments needed to respond to the declining economy. What is more, external political pressure forced the Greek government to adopt a program that finances training in private companies and the Spanish government to implement a strategy that encourages youth entrepreneurship. Both programs were adopted mostly due to pressure from EU-related institutions, which transferred ideas from other countries, rather than because there was substantial evidence that these instruments suit the needs of these two countries (Martínez-Molina et al. 2015, p. 16; Papadopoulou et al. 2015, p. 12). In Italy, the crisis also affected on how learning impacted on policy change. For example, the Italian government directed its attention to the German model of

vocational training programs, in 2012, although before, it had used the French model of tertiary education as a primary model. Furthermore, the regions received some freedom to experiment when using money from the European Stability Mechanism (ESM) for activation policies, however, regional governments made little use of this instrument. Similar to Greece and Spain, the anti-crisis policies in Italy emerged due to high problem pressure and there was little time for policy-oriented learning. Although some of the Italian labour market reforms during the crisis followed a similar pattern as in Greece and Spain, policymakers regarded Germany and not anymore France as the main model for reforms of vocational training (Fig. 11.1).

In the group of reforms with median problem pressure, the analysis shows instances of policy-oriented learning before the actual adoption of reforms. The increase of the retirement age, in Belgium, Germany, and the Netherlands as well as the introduction of the German minimum wage show that problem-solving-oriented learning could occur as there was no demand for immediate action (Aa et al. 2015, p. 17; Jansen and Knuth 2015, pp. 30–31, 37–41; Struyven and Pollet 2015, pp. 10–13). In these cases, it was possible to test the minimum wage or estimating the saving effects of an increase in retirement age for pension funds, before the implementation of reforms. Interestingly, this mechanism was less present in the UK, where pension reforms and the minimum wage were introduced based on a narrower evidence base (Bonoli 2000, pp. 52–85; McEnhill et al. 2015, pp. 34–36). This finding implies that there are differences between countries regarding the impact of median problem pressure on policy learning.

Political Institutions and Learning

In addition to the link between learning and problem pressure, the analysis suggests that political factors matter, especially political institutions mediate and/or moderate how policy learning occurs. The results of the comparative analysis in the previous section has shown that, in the case of median problem pressure reform projects, policy-related learning tends to guide the reform process. This effect is especially the case in pension reforms in Belgium, Germany, and the Netherlands, and the minimum wage law in Germany. Contrariwise, in the UK, the national government was able to pass cost containment of the pension system

and minimum wage legislation already much earlier, and based on less substantive evidence for an actual effect of the policy. For example, the Blair government introduced the minimum wage laws in the UK without conducting own research, only based on experiences in the US. These findings support an argument that Hemerijck and Visser (2003) made before. According to these authors, in the Netherlands and Ireland, there is a particular way of learning, which they call 'learning together,' which is opposed to 'learning alone' as in the case of the UK (Hemerijck and Visser 2003, p. 22). Learning together entails some concertation, social pacts, or, in other words, a high degree of consensual decision-making, such as in Dutch politics. On the other hand, learning alone comes along with the absence of concertation and stronger capacity to exercise political power, which is inherent to majoritarian political systems, such as the UK.

The comparison of different policies with a median problem pressure shows that policy learning is especially the case in political systems with a consensual form of decision making, where policy deliberation takes time and reforms are usually incremental, such as Belgium, the Netherlands, and Germany. This type of policymaking seems to be particularly compatible with the 'knowledge creep' that characterizes the insertion of knowledge in the policy process (Weiss 1980, 1982, 1986). What is more, the results suggest that in consensual systems, participants need to negotiate solutions. Therefore, using robust and credible evidence, such as well-researched policy proposals, are beneficial for stakeholders in the policy process, as negotiations are necessary. Contrariwise, in the UK, decisions are made faster, and thus the government has a larger leverage on using knowledge politically as it does not need to defend its proposals in a consensual policy process. Consequently, the incentives for assuring problem-solving in political reforms declines.

The Link Between Median Problem Pressure and Policy Learning

The result of the previous analyses suggest that the impact of policy-oriented learning dominates over power-oriented learning against the background of reforms with a median problem pressure (Fig. 11.2). In this case, the policy problem is perceived as severe enough by policymakers to consider knowledge according to a problem-solving logic
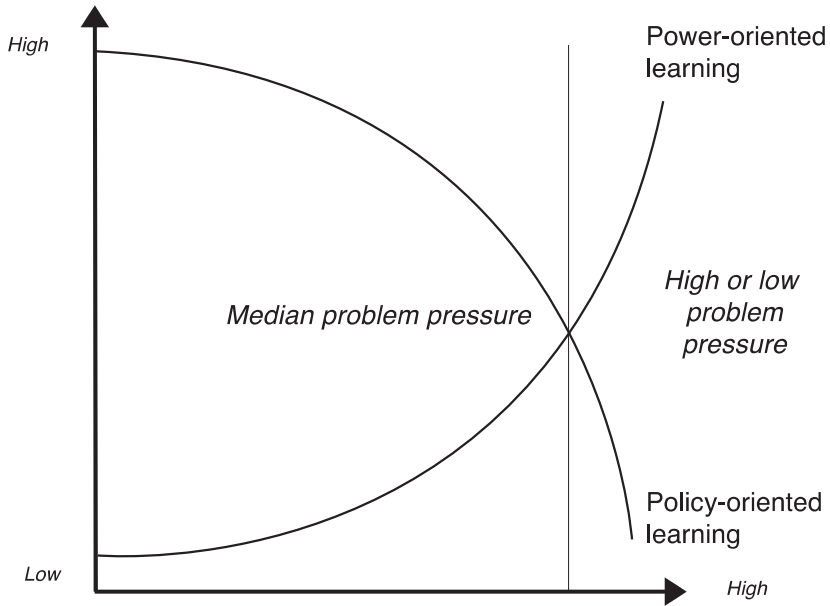
Fig. 11.2   Relationship between problem pressure and policy learning

because political inaction is risky. At the same time, the policy problem is not so salient that there is a political need for immediate action. Under this condition, policymakers are most likely to take research results seriously in the reform process, and it is, therefore, most probable that policy-oriented learning dominates the reform compared to power-oriented learning. Contrariwise, the case studies show that if problem pressure is very high it is less likely that problem-solving-oriented learning impacts on a reform project since the policy issue is so salient that policymakers need to act immediately. If policy-relevant research would suggest large-scale immediate reforms, policymakers would follow these suggestions. Nevertheless, if this is not the case, political action might be required all the same, as doing nothing would be the worst option and highly risky politically, for example in times of crisis (Bonoli 2012). On the other hand, the results of the analysis demonstrate that in cases of very low problem pressure, the potential impact of policy learning on reforms declines as well but for different reasons. Since the issue, to which a policy responds, is not salient and political inaction or inefficient policies are

unlikely to result in electoral losses, policymakers are less likely to bother about policy-relevant research if it is at odds with their own political interests.

The outlined argument is plausible theoretically because it takes time until policy-knowledge, such as evidence about the effectiveness of policies, enters the political agenda. According to Weiss and others, 'perhaps it takes 5 or 10 years or more before decision makers respond to the accumulation of consistent evidence' (Weiss 1993, p. 98). Researchers have referred to this process of slow penetration of knowledge in the policy process as 'knowledge creep' (Daviter 2015, p. 493; Weiss 1980, 1982, 1986). Given that policy-learning, understood as the infusion of scientific information into policy instruments, takes time, there needs to be a relatively sufficient amount of patience, resources, and time to find a solution. The conditions of median problem pressure—median salience and risk of political inaction—seem to be suited best to facilitate this type of learning during the policymaking process.

Conclusion

I started from the problem that policy relevant research is an essential element of reforms in public policy but that we know little about the political use of policy related research. Furthermore, research in the public policy literature often overestimates the role of problem-solving-oriented learning for political reforms and underestimates power-oriented and political learning. To account for this problem, I proposed an argument that linked learning to problem pressure. Precisely, the chapter demonstrated that policy-oriented learning is most likely to occur under the condition of a 'median problem pressure,' i.e. a policy challenge is salient, but there is no need for immediate political action. Policy-oriented learning entails that politicians are most likely to use new information to reform policy instruments if problem pressure is neither too low nor too high.

This study draws on case-material from very different reforms, which vary according to their problem pressure, to support its argument. If problem pressure is rather low, i.e. there is little urgency to change policies. In the case of very high problem pressure, such as during the economic and financial crisis, there is little time for a long learning process. Nevertheless, if a policy challenge faces a median problem pressure, the chances that policymakers model solutions according to policy-oriented

learning is the highest. The analysis of pension reforms and minimum wage legislation support this argument empirically, but especially for countries with a consensual political system, for example, Belgium, the Netherlands, and Germany. In the UK, the reform of the pensions system and minimum wage shows instances of a political use of knowledge. According to our results, consensual political systems with a long and incremental decision-making process is best suited for problem-solving-oriented learning. One reason for this is that policymaking lasts longer in consensual political systems. This is favourable to knowledge creep that qualifies problem-solving-oriented learning. Furthermore, in consensual political systems, different political preferences are entirely legitimate but there is an understanding that informed argumentation and evidence can bring them together in a compromise solution.

My contribution is above all conceptual in the sense that we put forward a theorized causal relationship between problem pressure and types of learning. Empirically, it is based on an inductive and explorative empirical analysis. The case study material serves to probe and develop the main hypothesis but not to test it against competing explanations. This important task remains to be done by future research. Nevertheless, this project opens the way for further contributions accounting for the connection between learning on the one hand and salience (Culpepper 2010) and problem pressure on the other. Another task for further research is to test the problem pressure hypothesis on a larger dataset with different reforms in the various countries across time. Particularly, we should be able to account for the potential dynamic within problem pressure, which might change over time and, for example, move from median to very strong. Finally, a new generation of studies could also usefully explore under which institutional configurations median problem pressure promotes or inhibits problem-solving-oriented learning.

Notes

1. http://www.inspires-research.eu/Deliverables, last accessed 29 March 2016.
2. http://www.inspires-research.eu, last accessed 24 March 2016.

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The Hard Case for Learning: Explaining the Diversity of Swiss Tobacco Advertisement Bans

Johanna Kuenzler

Global tobacco prevention is one of the hardest cases for learning. Despite plenty of evidence being produced about tobacco's detrimental effects on health since the 1930s (Brawley et al. 2014, pp. 5–6), today we still face an estimated global smoking prevalence of 17.6%[1]— with certain regions displaying values twice as large (World Health Organization [WHO] 2015, Appendix X). Although many states have introduced prevention measures, such as consumption taxes, prohibiting the purchase of tobacco by minors or health warning labels, the world

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map still looks like a patchwork rug when it comes to comprehensive tobacco prevention (WHO 2015, Appendix XII).

Various factors promote or hinder tobacco prevention in political systems. Previous research has for example identified the presence of tobacco interests (Toshkov 2013, p. 462) and the partisan balance of power (Duina and Kurzer 2004). To understand seemingly accidental distributions of a policy among a set of political systems, several studies have relied on John Kingdon's *Multiple Streams Framework* (MSF) (Kingdon 1984, 1995). According to the MSF, only a specific combination of explanatory factors at a particular point in time leads to the introduction of a policy. Whether or not this convergence happens in a certain political system is basically owed to chance (Kingdon 1995, p. 88).

Such a conception of the political process has yielded fruitful explanations for very diverse research puzzles (Sager and Rielle 2013; Sager and Thomann 2017). Yet, in the case of tobacco prevention, the MSF somehow falls short. Even though we are faced with the patchwork rug of different prevention regimes described above, it is also true that the development of each regime has followed a slow and steady build-up since the end of the Second World War (Cairney et al. 2012, pp. 221–223). Rather than pure coincidence, a systematic progress of learning seems to have been at work then. Indeed, there are critical voices in the research community that reproach the MSF for generally ignoring processes of learning (Brunner 2008).

Thus, both the learning approach and the MSF face shortcomings when it comes to the puzzle of tobacco prevention policy. It is only in their combination that an adequate solution can be found. This chapter sets out to demonstrate a possible application.

The subnational units of Switzerland—hereafter referred to as 'cantons'—constitute an ideal-typical representation of the patchwork rug we see in global tobacco prevention. In the absence of national guidelines, some cantons have started introducing their own instruments, while others have remained largely passive (Federal Office of Public Health [FOPH] 2017). Especially the instrument of tobacco advertisement bans has been received differently. By 2015, 15 cantons had introduced such bans, while 11 cantons had refused or ignored them. The similarity between the Swiss cantons[2] enables us to isolate the theoretically deduced causes for this variety and to check empirically for their influence.

The spread of a policy among different political systems is frequently examined by scholars of policy diffusion (Berry and Berry 2017). Applying quantitative methods such as event history analysis or the dyadic approach, they trace diffusion based on the chronology of policy approvals, on similarities between cases etc. (Bamert et al. 2015; Shipan and Volden 2008; Trein 2017). Gilardi (2013) identifies learning as an important mechanism of diffusion. Policy makers look for experiences in other political systems to reduce the uncertainty about the consequences of a policy (Gilardi 2013, p. 463). While this take on learning in a diffusion context is theoretically convincing, an empirical validation of the learning mechanism itself is often lacking.[3]

As I show in this chapter, the spread of the tobacco advertisement bans in Switzerland did not take place in a horizontal manner, jumping from one canton to another. It was on the contrary a national court decision that simultaneously enabled the start of learning processes in the cantons. Thus, whether or not a canton adopted a ban appears to be due to internal characteristics rather than to its connection with other cantons (Berry and Berry 2017, p. 254). To find out what factors exactly promoted or hindered the adoption of the bans, we need to carry out a Qualitative Comparative Analysis (QCA).

The QCA-method has been developed to discover instances of complex causality in social phenomena. Its advocates refuse for example the notion of causal factors working in isolation that is implied in quantitative techniques. Instead, QCA users think of these factors as being interlinked and working in combination to produce a certain effect. This type of causality is called conjunctural (Schneider and Wagemann 2012, pp. 78–79). Such a perspective fits the analysis of tobacco advertisement bans. It is likely that a political system does not introduce a ban 'only' because, for example, there is no tobacco producer who could oppose the policy. In addition, some actor promoting the ban is needed, for example a public health NGO or a political party in power that focuses on such issues. Only the combination of these factors leads to the adoption of an advertisement ban. Another useful feature of QCA is that it allows for equifinality (Schneider and Wagemann 2012, p. 78). The same effect may be produced by different factors and factor combinations. To really understand an effect, it is important to get all possible combinations and not just one. Lastly, QCA assumes causality to be asymmetrical (Schneider and Wagemann 2012, pp. 81–83). Different factors may be at work when an effect occurs than when it does not. Therefore, the

separate analysis of not adopted advertisement bans sheds light on obstacles that can prevent the adoption of a ban.

This chapter is structured as follows. Since I base my analysis on a variation of the MSF by Herweg et al. (2015), I briefly present their approach in the next part of the chapter before moving on to the connection between the MSF and the concept of learning. Next, I apply the explanatory model to the case. After a brief presentation of the method of QCA, I report the results of the analysis. While a variety of factor-combinations account for the adoption or rejection of the tobacco advertisement bans, the decisive roles of private interest groups and the specific form of the proposed bans stand out. The chapter conclusions reflect on the implications of the findings.

THE MULTIPLE STREAMS FRAMEWORK AND LEARNING

John Kingdon established in his seminal book *Agendas, Alternatives and Public Policies* a framework of agenda-setting in public policy-making under conditions of ambiguity (1995). Ambiguity denotes among other things 'a state of having many ways of thinking about the same circumstances or phenomena' (Feldman 1989, p. 5, cited after Herweg et al. 2017, p. 18). This is a concept which can be applied to virtually any topic in public policy nowadays. For example, one can treat the banning of tobacco advertisement as a health issue when thinking about the risks that smoking poses for an individual's health. However, it can also be framed in a way that emphasises questions of commercial freedom: may the state prohibit a tobacco manufacturer from promoting products, or should it let the market have its way?

In order to understand when a certain topic pops up on the public agenda, and what form it takes when it does so, Kingdon assumes the existence of three independent streams that float through the political space (1995, p. 87). First, the so-called 'problem stream' encompasses all societal and environmental constellations that could potentially be interpreted as problematic and worthy of being politically tackled. Second, the 'policy stream' consists of proposals by scientists and other experts about possible solutions in terms of public policy (Kingdon 1995, pp. 117–125). The third—'political'—stream depicts the power relations between actors of the political process: which parties are dominant in the executive and legislative branch, are there any interest groups that have the potential of influencing public policy etc. For a certain topic

to appear on the political agenda, the three streams have to converge in a specific way. An individual entrepreneur needs to take the initiative and couple the streams with the goal of pushing a policy proposal he or she favours on the agenda (Kingdon 1995, p. 179). Translated into non-metaphorical language, this means that an individual successfully manages to present a specific proposal as the optimal solution for an existing problem, and that the current political elite is receptive enough to discuss this suggestion in the formal decision-making process. The time frame during which such a coupling of the streams can be achieved is limited (Kingdon 1995, pp. 165–166). This results from the contrast between the infinite list of issues that might be worthy of political attention and the limited capacity of the political system and its actors to process information (Kingdon 1995, pp. 184–185). Kingdon postulates that some kind of event has to trigger the opening of such a time frame, also known as 'window of opportunity' (Kingdon 1995, pp. 165–166). This event raises the general attention for an issue and thereby offers the entrepreneur a platform for presenting his or her new approach to the relevant actors. After some time, the effect of the event starts to wear-off. The window of opportunity closes and other topics are prioritized.

Kingdon's approach, which became known under the name of *Multiple Streams Framework* (MSF), has met with a lot of success in the scientific community (Herweg et al. 2017, p. 17). It has been frequently expanded to not only explain agenda-setting, but also the process of decision-making (Zahariadis 1992, p. 359). However, Herweg et al. (2015, p. 444) correctly observe that an unmodified transfer of the framework to this stage of policy-making or even a fusion of the agenda-setting and the decision-making process into one unit of analysis bear the risk of information loss and misinterpretation. If one observes for example the lack of a policy change in a system it is unclear whether this is due to a failure in bringing a policy proposal to the political agenda or to missing majorities in the decision-making stage. Instead of viewing the two stages as one overarching coupling of the streams, Herweg, Huß and Zohlnhöfer suggest a duplication of the coupling process, with minor adaptations for the second stage of decision-making (2015, pp. 444–446). They posit that once a policy proposal has reached agenda-status—i.e. when the first process of coupling has been successfully completed—the window for the second coupling opens automatically. Politicians, interest groups and other relevant actors do not want to miss the opportunity of influencing a choice that is up for decision and start

negotiating immediately (Herweg et al. 2015, pp. 444–445). The political stream and the entrepreneur become the crucial factors now, as it is the majority in parliament which will decide on the policy's fate (Herweg et al. 2015, p. 445). With the current distribution of power between the parties in mind, the entrepreneur tries to forge a coalition for his or her pet proposal (Herweg et al. 2015, pp. 445–446). If the efforts are successful, the policy is formally adopted.

So, how exactly does the extended MSF connect to the learning approach? Both constitute theoretical lenses on the policy process and provide explanations for policy change (Dunlop and Radaelli 2018; Herweg et al. 2017). While in the MSF a change occurs when the streams in the decision-making stage are coupled successfully, Dunlop and Radaelli (2017) use Coleman's bath tub as heuristic to elucidate the connection between learning and change. Building on a general definition of learning as 'updating of beliefs based on experience, interactions, analysis or rules' (Dunlop and Radaelli 2017, p. 3), they posit that a direct association between learning and change on a societal (macro) level ignores the fact that the individual (micro) level is necessarily involved in any process of learning (Dunlop and Radaelli 2017, p. 2). While generally available knowledge may indeed be situated at the macro level, it needs to be picked up and 'learned' by an individual to have the chance of influencing political matters (Dunlop and Radaelli 2017, pp. 6–8). On the micro level, information is disseminated from individual to individual (Dunlop and Radaelli 2017, pp. 8–11). Only through some process of aggregation is the information passed on to the macro level again, where a successful collective learning may entail change (Dunlop and Radaelli 2017, pp. 11–12).

There are different views on the exact mechanisms working in the single steps of Coleman's bath tub (Dunlop and Radaelli 2017). What matters here is the complementarity of learning and the MSF. While the MSF places its analytical focus exclusively on the agenda-setting and decision-making stage of a political process, the learning approach assumes a broader view. With ideas being already present somewhere in the world and ready to be picked up by an individual in a certain political system, learning precedes the agenda-setting stage. During agenda-setting and decision-making, learning is omnipresent as the coupling of the streams relies on actors who learn about the idea that is to be put on the agenda and to be adopted. Finally, learning also continues after policy change. The stages of implementation and evaluation are full of

opportunities for actors to learn and adapt their behaviour. Learning may even cause another step onto the macro level, to introduce a new or modified policy.

The MSF by contrast helps learning-scholars to identify factors that promote or block the learning process during the agenda-setting and decision-making stages. The combination of learning and MSF allows the clear rendering of what exactly happens in two critical stages of the policy process, while keeping an eye on the wider context.

Approaching the Hard Case

Based on the theoretical elaborations above, I now apply the combination of MSF and learning to the tobacco advertisement bans in Switzerland. The two analytical steps of agenda-setting and decision-making are treated separately. Information on the data sources as well as the cantons' scores on the various elements can be accessed through the online appendix (https://doi.org/10.1007/978-3-319-76210-4_12).

Agenda-Setting Stage

Phenomenon of Interest: Ban on the Political Agenda (BANAG[4])
In the first step, we want to understand why some cantons had the legal draft of a tobacco advertisement ban on their agenda while others did not (*BANAG*). This is the classic field of application for the MSF, which identifies key elements that need to come together for a successful agenda-setting to occur.

In examining this development from a learning perspective, we are figuratively speaking 'getting in the bath tub'. The appearance of a ban on the cantonal agenda shows that an individual—be it from government or parliament—has picked up the idea of a tobacco advertisement ban from the macro level and intends to spread it among his or her political peers. The goal is to integrate the ban in the canton's legal system.

Window of Opportunity
As described above, according to the MSF a specific event needs to open the so-called 'window of opportunity' to enable the coupling of the streams. In the case of tobacco advertisement bans in the Swiss cantons, this event took place in Geneva in 2002.

The World Health Organization (WHO) with its central office in Geneva is a long-standing advocate of advertisement bans. It can be regarded as responsible for putting the ban on the agenda of its 'home canton', as the policy proposal bears a striking resemblance to WHO guidelines (Mavrot 2017). Furthermore, a WHO report is explicitly mentioned in the parliamentary debate (Grand Conseil de Genève 2000). After the ban had passed legislation at the beginning of the 2000s, a group of tobacco and advertisement companies took it to the Swiss Federal Court. They stated that it counteracted national law and breached both the freedom of press and freedom of expression (Felber 2002). It was the rejection of this appeal in May 2002 that initiated the window of opportunity. A signal was sent to the rest of Switzerland about the feasibility of such anti-tobacco legislation on the cantonal level. Thus, the coupling of the streams became possible in the other cantons. From a learning perspective, the court decision enabled individuals to start the learning process at the micro level.

Political Stream: Left Parties in Parliament and Government (LEFTP and LEFTG), Tobacco Interests (TOB) and Health Lobby (HEALTH)

Turning to the cantons, the political stream is composed of elements portraying the prevalent political interests concerning tobacco advertisement bans. On the one hand, the partisan composition of parliament and government matter here (*LEFTP and LEFTG*). Various studies have demonstrated that leftist parties in Switzerland often engage in the promotion of public health issues (Sager and Rielle 2013; Trein 2017, p. 131). Their presence in a canton's political institutions is of vital importance for the introduction of the bans to the official agenda, as they are the most receptive to pick up and further the idea. On the other hand, organized interests outside of the institutions have to be taken into consideration. First, there are the actors directly addressed or negatively affected by the advertisement bans: the tobacco producers, cigarette and cigar manufacturers as well as companies mainly engaging in tobacco trade (*TOB*). While Switzerland may be famous mostly for cheese, chocolate, watches and Roger Federer (!), it also hosts a large number of tobacco and cigarette producers (Schmutz 2012). Previous research has shown that these producers actively try to influence Swiss politics (Lee and Glantz 2001). Their relative representation in the cantons might therefore be crucial. At the agenda-setting stage one can imagine that the lobby itself is not active yet, but that politicians dealing with the subject already acknowledge it

as a potential opponent and consider the danger of harming a source of employment.

The lobby potentially fighting for the introduction of an advertisement ban in a canton is composed of organisations promoting health, for example the League Against Lung Cancer.[5] Being experts in tobacco prevention, it is very likely that these actors learned about the advertisement bans already before the Federal Court decision and are eager to promote them in their political system.

Let me now take into account a special feature of the Swiss political system. In many cantons, close ties exist between the public administration and health interest groups due to extensive collaboration in policy formulation and implementation. When there is at least one person in the administration assigned with the task of improving tobacco prevention, they therefore have a special channel to the policy process. It is adequate to assume that such a person or office would already know about the advertisement bans and try to spread the idea, as this constitutes a fundamental part of their raison d'être. The presence or absence of such an administrative entity thus complements the measure of health organizations in a canton (*HEALTH*).

Problem Stream, Policy Stream and Entrepreneur
A theoretical element that is not differentiated for each canton is the problem stream. The fact that tobacco consumption is harmful to one's health has dominated the international discourse for several decades. Switzerland passed the first regulations that restricted the tobacco industry as early as 1964 (Trein 2017, p. 125). Thus, we can consider the problem to have been 'pressing' independently of regional preconditions. Information gathered by the Swiss health survey corroborates this decision. Although there is some variation visible in the cantonal prevalence of tobacco addicts, the gap between the canton with the lowest and the canton with the highest rate amounts to merely 10% (Swiss Federal Statistical Office [SFSO] 2013).

The policy stream, i.e. the proposal of tobacco advertisement bans or, from a learning perspective, the idea to be learned, is held constant in the first part of the analysis as well. As has been shown above, the politicians from Geneva drew heavily on the proposal designed by the WHO (Mavrot 2017). The national media attention to the Federal Court decision helped spreading the idea of the bans (Felber 2002; Inderbitzin 2002). In the first step of analysis, we can assume that the policy proposal was available to all the relevant actors in Switzerland.

The entrepreneur as a catalysing element is omitted from the analysis of the agenda-setting stage too. An examination of the cases at hand did not reveal any outstanding individuals fighting for the tobacco advertisement bans. Promoters came from the traditional interest groups and parties. As these are already represented in the political stream, we should refrain from a separate inclusion of the entrepreneurial element.

Urbanity (URB)

Although the Swiss cantons share a lot of commonalities in various topics, a notable difference can be found when it comes to the proportion of people living in cities and in the countryside. While some cantons do not have any urban areas, others have 95–100% of their populations living in cities. This variety might matter during the agenda-setting stage in socio-economic and in cultural terms. Cities are the locus of innovation and transformation (Kübler and Wälti 2001, p. 35), they host educational as well as scientific institutions and are often the centre of medical care. This constellation makes the general public and the political elites more sensitive to health problems and receptive for solutions which, together with the increased willingness to test new approaches in urban areas, could constitute a boosting factor for an official dialogue on tobacco advertisement bans. Therefore, the element of urbanity is added to account for contextual variation between the compared cantons (*URB*).

Decision-Making Stage

Phenomenon of Interest: Reach of the Adopted Advertisement Ban (BANAD)

In the second step of the analysis, we want to know why there is a variation in parliamentary decisions on the tobacco advertisement bans (*BANAD*): from complete rejection to partial acceptance in restricted areas[6] and in some cantons even to wholehearted embrace. From a perspective of tobacco prevention, an adopted ban with a wider reach equals a bigger step in learning. Experience in other countries has shown that tobacco producers are very innovative when it comes to circumventing the laws to continue advertising their products. The less loopholes there are, the better the prevention effect (Werner et al. 2016, p. 1). Herweg et al.'s (2015) extension of the MSF points to the factors that might explain the divergence of parliamentary decisions.

From a learning perspective, the vote on the proposal constitutes 'the step out of the bath tub'—again figuratively speaking. If a sufficient amount of parliamentarians has learned about the advertisement ban on the micro level and is convinced of the concept, learning is aggregated to the macro level. Thus, the law is integrated into the canton's legal system and the policy change is complete.

Window of Opportunity and Problem Stream

After the appearance of a tobacco advertisement ban on the public agenda, the learning process continues on the micro level, with the idea spreading from individual to individual. Following the extended version of the MSF, the window for the second coupling process opens automatically as soon as a policy proposal has reached the official agenda (2015, pp. 444–445). Due to this, there is no need to include it in the analysis. The same holds for the problem stream, which again we may interpret to be present in all the cantons because of the global awareness that smoking is a serious health hazard.

Policy Stream: Reach of the Policy Proposal Entering Parliamentary Discussion (REACH) and Connection of the Policy Proposal with a Ban on Alcohol Advertisement (ALC)

The policy stream at this stage depicts the legal draft on a canton's agenda, the idea to be learned. As described above for the bans finally adopted by the cantonal parliaments, the proposals on the agenda too display a variation in reach. These differences likely play a role in the parliamentary discussion. Politicians might consider a wide-reaching ban proposal too radical and react negatively towards it. With Swiss political culture being very consensus-oriented (Vatter 2014, p. 29), it might be a wiser tactic to start with a modest proposal and to gradually convince the decision-makers of more far-reaching measures during the discussion. We therefore include this characteristic of the policy stream into the analysis (*REACH*).

In a similar vein, we can include another finding from previous research on tobacco advertisement bans in Switzerland. While examining the parliamentary debates on tobacco advertisement bans in the French-speaking cantons, Mavrot et al. (2016) noticed that a decisive factor concerning the adoption or rejection of the law was its (non-)connection to an analogous ban on alcohol advertisement. Such a link to alcohol prevention policy turned out to be a hindering factor for the policy

proposal since the 'zone of attack' for policy adversaries was enlarged. The production of alcoholic beverages is an important cultural value of the region as lots of cantons have their own wine-production. It was therefore easier for opponents to mobilize resistance against the new law (Mavrot et al. 2016, p. 16). A similar mechanism could be relevant for the rest of Switzerland as well, since several other regions maintain vineyards. Thus, we will assume that the connection of the policy proposal with an alcohol advertisement ban (*ALC*) brings further opposition to the scene. Together with the tobacco lobby, they try to reduce the ban's reach or reject it completely.

Political Stream: Left Parties in Parliament (LEFTP), Tobacco Interests (TOB) and Health Lobby (HEALTH)

The political stream, which is ascribed a predominant role at this stage of policy-making by Herweg et al. (2015, p. 445), is similarly constructed as in the first coupling process. Again, the strength of leftist parties (*LEFTP*), the presence or absence of the tobacco lobby (*TOB*) and of health organizations respectively the existence of an administrative unit with the task of promoting tobacco prevention (*HEALTH*) are part of it. These three groups of actors are the ones who care most about the learning process in tobacco prevention. The leftist parties and the health proponents try to achieve an aggregation of learning resulting in a significant policy change, the tobacco lobby by contrast tries to curb or block the same process to protect its business.

For this stage, we exclude the partisan composition of government. As soon as a legislative draft has entered the parliamentary arena, the government loses its influence over it. It has passed from the executive to the legislative power, with the former becoming mere bystanders and advisers in the process that follows. It is the proportion of supporters in parliament that constitutes a decisive factor for the success or failure of a law.

Entrepreneur

As in the first coupling process, we do not treat the entrepreneur as a separate feature. The reasoning this time is different though. Herweg et al. (2015, pp. 445–446) explain that during the decision-making stage the entrepreneur is most likely an individual inside the formal governmental system with an elected leadership position. Even if he or she resides on the outside, an internal entrepreneur has to help spreading the idea and gathering the majority needed for the adoption of the

supported proposal. Being formally elected, the entrepreneur is a member of one of the parties and as such part of the partisan balance of power, which is depicted in the political stream. As it is very difficult for a partisan entrepreneur to achieve an aggregation of learning when the balance of power clearly outweighs him or her, we can consider the partisan composition of parliament already included in the political stream to be enough of an indicator for a proposal's chances to pass the vote.

The Method: Qualitative Comparative Analysis (QCA)

QCA was developed by Charles Ragin (1987) to address the methodological problem of 'many variables, few cases'. The application of set theory and Boolean algebra allows the reduction of complex constellations into concentrated solutions. However, a fundamental knowledge about the single cases is needed in order to achieve valid results (Rihoux and Meur 2009).

Characteristics of the cases ('conditions'), that from a theoretical point of view are thought to be relevant for the explanation of a certain feature ('outcome'), are conceived of as sets. To use an example from this study: a canton may be defined as member of the set 'cantons with strong leftist parties in government' if the absolute majority of elected executive officials are from parties such as the Social Democratic Party or the Green Party. Conversely, a canton is counted as non-member of the set if none of the officials stem from leftist parties. This dichotomy of the attributes of cases is commonly referred to as 'crisp-set QCA' (csQCA). I apply it to the examination of the agenda-setting stage.

For the second part of the analysis, I use a special variant of QCA called 'fuzzy-set QCA' (fsQCA). It allows for a further gradation of cases to express more ambivalent attributes. If, for example, in a cantonal government three of seven members are leftist, the canton is counted as 'in the set of cantons with strong leftist parties in government, but not fully in'. This is practical in the analysis of the decision-making stage, as a more fine-grained account of the cantonal power constellations is needed to understand the outcome generated in parliament. Furthermore, while during the agenda-setting process the outcome of interest is dichotomous in nature—did an advertisement ban appear on the cantonal agenda or not?—the second coupling of the streams requires a further differentiation. As explained above, the reach of an advertisement ban can vary substantially, thereby making it a rather severe or a rather lax

policy proposal. Taking this variation into account helps to reach a more profound understanding of the processes at hand.

The process of assigning set membership scores to the cases is called calibration (Ragin 2009, pp. 89–94). A documentation of the calibration for this analysis as well as the cantons' final crisp and fuzzy scores may be found in the online appendix (https://doi.org/10.1007/978-3-319-76210-4_12).

After calibration, the cases' set membership scores are compared with the designated outcome—the appearance of tobacco advertisement bans on the agenda and the adoption of the bans in parliament respectively. The goal is to find systematic patterns across the cases: does a certain condition—or a combination of conditions—always appear when the outcome is present? Then it is deemed to be a 'sufficient' condition. Or, does the outcome only show up when a condition—or again a combination of conditions—is fulfilled? Then this (set of) condition(s) might be 'necessary' for the outcome. By comparing the cases in such a way, possibly causal connections between conditions and the outcome are discovered (Ragin 2009, pp. 99–105; Rihoux and Meur 2009, pp. 44–54). Applying set-theoretic rules allows for a minimization of the solution term at the end of the analysis (Schneider and Wagemann 2012, pp. 105–108). To substantiate the findings, the researcher then has to go back into the individual cases and look for the exact mechanisms that might be responsible for the set-theoretic result (Schneider and Wagemann 2010, pp. 400–401).

The explanations above obviously constitute a very rudimentary introduction to QCA, for more information see Schneider and Wagemann (2012). What we need to concentrate on here is the fundamental advantage of QCA when it comes to applying the MSF to empirical material. Not only does QCA detect single causal connections, but it also shows conjunctural causation (cf. introduction). In essence, Kingdon's model is a conjunctural one (Sager and Thomann 2017, p. 289). For a policy proposal to appear on the political agenda—or to be adopted by parliament, as it is the case in Herweg et al.'s (2015) extension—a combination of the streams with the policy window and the entrepreneur is needed. The presence of a problem alone for example does not guarantee its treatment by the political system. QCA helps to figure out whether in empirical reality too it is a combination of factors that are responsible for the results of policy-making or not.

For the execution of the QCA I rely on the statistical computing software R.[7]

Explanations for the Hard Case

We now turn to the findings of the analysis. Again, this section is divided into the agenda-setting and decision-making stage.

Agenda-Setting Stage[8]

During the analysis of tobacco advertisement bans appearing on the cantonal agendas, no single condition fulfilled the criterion of necessity. The sufficient solutions for the positive outcome ('tobacco advertisement ban appearing on the cantonal agenda') and the negative outcome ('no tobacco advertisement ban appearing on the cantonal agenda') are reported in Tables 12.1 and 12.2 respectively.

We find four solution paths for the appearance of a tobacco advertisement ban on a canton's agenda. The cases of the first and the third solution path are very similar in that they feature: strong health proponents in the administration and/or in the interest group system; high levels of urbanization; and a strong left, once in parliament and once in government. The cantons covered by these paths are open towards a process of learning. They feature a strong interest representation in the area of tobacco prevention, who can operate in a generally open and innovative area and has partners in the political sphere that are receptive towards the idea of tobacco advertisement bans. In this constellation, there is at least one individual who has learned about the bans and has decided to flag them up for discussion.

The absence of a strong left in government and no significant tobacco interests, together with a rural environment in a canton, constitutes the second sufficient condition for the presence of an advertisement ban on a canton's agenda. This seems puzzling when we consider our theoretical expectations. While the absence of tobacco interests was already deemed important for the furthering of advertisement bans, leftist forces were thought to be receptive towards the idea of advertisement bans. Further, urban areas rather than rural ones were imagined to be the appropriate settings for such legislation. The striking absence of actors that could pick up the idea of the bans and put it on the agenda could however point to an explanation of this path: when the usual promoters of tobacco prevention are absent and the circumstances do not seem particularly favourable for advertisement bans either, somebody else needs to jump in. This suspicion is corroborated by observations from the individual cases covered by this path. Uri (UR), Appenzell Ausserrhoden

Table 12.1   Analysis of sufficiency for the outcome "BANAG"

Solution	LEFTG * HEALTH * URB	+	leftg * tob * urb	+	LEFTP * HEALTH * URB	+	leftp * LEFTG * tob * URB	→ BANAG
Single case coverage	ZG; BE; BS, VD		VS; UR, AR, GR; TG		SO, BL; AG; BE; BS, VD		SG	
Consistency	1.00		1.00		1.00		1.00	
Raw coverage	0.250		0.312		0.375		0.062	
Unique coverage	0.062		0.312		0.188		0.062	
Solution consistency								1.000
Solution coverage								0.812

Cases separated by semicolons belong to different truth table rows.

Directional expectations: LEFTP → BANAG, LEFTG → BANAG, tob → BANAG, HEALTH → BANAG, URB → BANAG

Table 12.2 Analysis of sufficiency for the outcome "banag"

Solution	TOB * urb	+	leftp * LEFTG * urb	+	LEFTP * TOB * health	→ banag
Single case coverage	LU; FR; JU		GL; OW		FR; NE	
Consistency	1.00		1.00		1.00	
Raw coverage	0.375		0.250		0.250	
Unique coverage	0.250		0.250		0.125	
Solution consistency						1.000
Solution coverage						0.750

Cases separated by semicolons belong to different truth table rows.
Directional expectations: leftp → banag, leftg → banag, TOB → banag, health → banag, urb → banag

(AR) and Graubünden (GR) display strong health actors in either the public or the private sector, while both Wallis (VS) and Luzern (LU) feature an exceptionally strong Christian Democratic People's Party (CVP) in government. In-depth analyses of cantonal tobacco prevention have shown that sometimes this party shows interest in fighting tobacco (Sager et al. 2012–). It may thus well be that those actors make up for the unfavourable conditions. In Thurgau (TG), the sixth canton in this configuration, none of the explanations found for the other cantons apply. When examining this case in detail, a health foundation named 'Kodex' appears that is well known in the region for keeping young people off smoking since the 1980s. The foundation's programme is generally well-received and gets support from the cantonal government, school teachers and parents. A local expert on tobacco prevention even mentioned that certificates stating participation in Kodex's programme regularly are enclosed in letters of application. The parliamentarian who put the advertisement bans on the cantonal agenda is a member of Kodex. As the programme is implemented by local societies of volunteers, working hours for Kodex are not represented in the national statistic used for measuring the strength of regional health organizations. The value assigned to TG thus underestimates the actual force of the prevention lobby in this canton.

The last solution path to the positive outcome during agenda-setting only covers a single canton, namely St. Gallen (SG). Its configuration is deemed sufficient for advertisement bans on the political agenda. The canton features a weak left in parliament and a strong one in government, and the absence of a tobacco lobby combined with urban surroundings. Again, an emphasis is put on the relevance of an innovative

context for ideas to be picked up. With the rather leftist government, there is a receptive actor inside the formal institutions. There is no need to fear strong opposition for the policy proposal, as there are no material interests in the canton who would try to block the learning process.

The sufficiency analysis of the negative outcome—no advertisement ban on the cantonal agenda—reveals three solution paths. The first path exhibits the conjunction of two elements that are expected to be a hindrance for advertisement bans getting on the cantonal agenda. Rural areas are less known for trying out new ideas. Further, they host big cigarette factories (LU and JU) or feature a significant number of tobacco farmers (FR). It is not surprising that a promoter of tobacco prevention gets disillusioned at the sight of these feeble chances of success. Consequently, nobody put the ban proposal on the agenda.

In the second path, the left government as a potential promoter of tobacco advertisement bans seems to be blocked by unfavourable circumstances. It finds itself in a rural environment, lacking allies in the legislative arena or in the sector of prevention policy. The idea of the bans is not picked up, maybe also because the government decides to put its attention on other issues.

Lastly, the configuration of strong leftist forces in parliament facing strong tobacco interests and receiving no support from regional health organizations or an administrative unit responsible for tobacco prevention is a sufficient condition for bans not appearing on the agenda. While the power balance in the legislative is potentially favourable towards the idea of tobacco advertisement bans, the lack of experts seems to keep the topic off the agenda. In the face of a strong lobby against tobacco prevention, apparently a devoted supporter in the interest group system or the administration would be needed to disseminate the idea and start a discussion about the advertisement bans.

Decision-Making Stage[9]

For the analysis of the decision-making stage, only cantons that actually discussed a legal draft of a tobacco advertisement ban during the period of investigation are included. The number of cases is thus reduced to 16, which affects the second stage of the examination significantly: the ratio of cases and conditions becomes too skewed for a QCA to produce valid results. As recommended by Schneider and Wagemann (2010, p. 402), I build a higher order construct to deal with this problem. The interest

group system, consisting of the tobacco lobby (*TOB*) and tobacco prevention promoters (*HEALTH*), is summarised in the condition of 'proban interests' (*PROBINT*) in such a way that it only assumes a positive value when the health lobby is strong while the tobacco lobby is weak. This ensures that the two interest group categories are not creating a stalemate which would reduce their separate impact on the political system.

The analysis of the positive outcome yields one necessary condition. For an encompassing advertisement ban to be adopted, the proposal entering the parliamentary discussion already needs to display a wide reach.[10] No proposal entering parliament ever left it bigger; if modifications were made, they came in the form of reduction or abandonment. This statement partly contradicts our theoretical expectations. Apparently, bold policy proposals in tobacco prevention most of the time are not 'too hard to swallow' for Swiss parliamentarians. There is only one canton—Graubünden (GR)—where a far-reaching ban proposal was rejected completely. All the other cantons who started their discussions on a bold proposal also went through with it. Further, discussions in parliament apparently never led to an extension of the ban's reach. The will to learn more during the decision-making stage seems to have been quite restricted. Regarding the negative outcome for the decision-making stage no necessary condition appears.

The sufficient solutions for the positive outcome ('strong ban adopted by the cantonal parliament') are reported in Table 12.3.[11] Figure 12.1 demonstrates that there is no case contradicting the statement of sufficiency; the overall consistency is at 0.941, the solution coverage amounts to 0.798.

The policy proposal's attributes come back again in the analysis of sufficiency for the positive outcome. Again, the wide reach of the ban appears, constituting a necessary part of both the solution paths that were found.

In the first path, the wide reach of the proposal is combined with the absence of an analogous alcohol advertisement ban. The cantonal parliaments are willing to bring the learning process to the macro level and establish a comprehensive advertisement ban if the proposal is convincing from the start and if alcohol producers are not targeted. This clearly demonstrates the different standings tobacco and alcohol have in Swiss society. While the image of tobacco has deteriorated, and is now mostly associated with unhealthy behaviour, alcohol still enjoys a good

Table 12.3   Analysis of sufficiency for the outcome "BANAD"

Solution	REACH * alc	+	REACH * PROBINT	→ BANAD
Single case coverage	SG, VS; TI; SO		TI; SO; UR, AR; BE	
Consistency	1.00		0.924	
Raw coverage	0.401		0.607	
Unique coverage	0.196		0.402	
Solution consistency				0.941
Solution coverage				0.803

The raw consistency threshold is set at 0.851. Cases separated by semicolons belong to different truth table rows.

Directional expectations: LEFTP → BANAD, PROBINT → BANAD, reach → BANAD, alc → BANAD
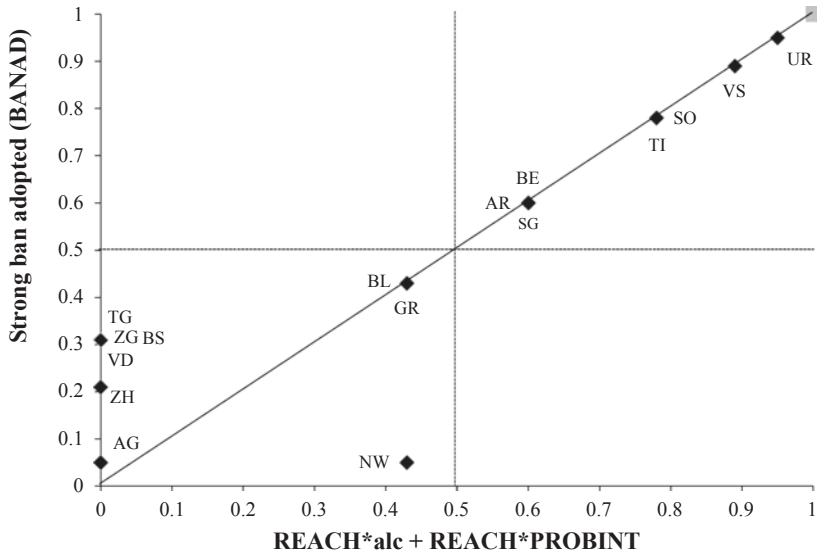
Fig. 12.1   Plot of the sufficient solution for "BANAD"

reputation. This may be because in contrast to tobacco, small quantities of alcohol are not considered harmful to one's health.

The second solution path demonstrates the continuing importance of extra-parliamentarian interests in the decision-making process. If a canton displays a wide-reaching policy proposal with the simultaneous

Table 12.4   Analysis of sufficiency for the outcome "banad"

Solution	reach * ALC	+	ALC * probint	→ banad
Single case coverage	ZG; NW, GR; ZH, BS, TG, VD; BL		ZH, BS, TG, VD; AG	
Consistency	1.00		0.750	
Raw coverage	0.722		0.536	
Unique coverage	0.305		0.119	
Solution consistency				0.825
Solution coverage				0.841

The raw consistency threshold is set at 0.999. Cases separated by semicolons belong to different truth table rows.

Directional expectations: leftp → banad, probint → banad, REACH → banad, ALC → banad

presence of pro-ban actors and absence of tobacco interests, the parliament aggregates the idea of a wide-reaching advertisement ban.

Finally, what is striking is the absence of partisan actors in the sufficiency solution for the adoption of tobacco advertisement bans. Although the decision is taken in parliament, the power balance between leftist and rightist parties seems of secondary importance compared to attributes of the proposed advertisement ban and the interest group system.

The analysis of the negative outcome ('weak or no ban adopted by the cantonal parliament') yields two sufficient solution paths, cf. Table 12.4. As can be seen in Fig. 12.2, no single case contradicts the statement of sufficiency. The solution is characterised by a consistency of 0.825 and a coverage of 0.841.

Path one features a weak tobacco advertisement ban that is extended to alcoholic beverages. Such a ban proposal is a sufficient condition for a political system to adopt only a weak ban or no ban at all, as demonstrate the eight cantons covered by this solution path. Judging from the results above, this kind of ban proposal is the worst possible when it comes to the goal of achieving comprehensive tobacco prevention. Parliamentarians reduce it to minimal effectiveness before aggregation to the macro level or even reject it entirely.

The second path is a conjunction of an advertisement ban for tobacco and alcohol products with an interest group system that is unfavourable towards the bans. In the three cantons of Basel-Stadt (BS), Waadt (VD) and Aargau (AG), both the health and the tobacco lobby are strong, thus creating a stalemate situation. In the cantons of Zürich (ZH) and Thurgau (TG) conversely, neither of the groups are strongly represented.
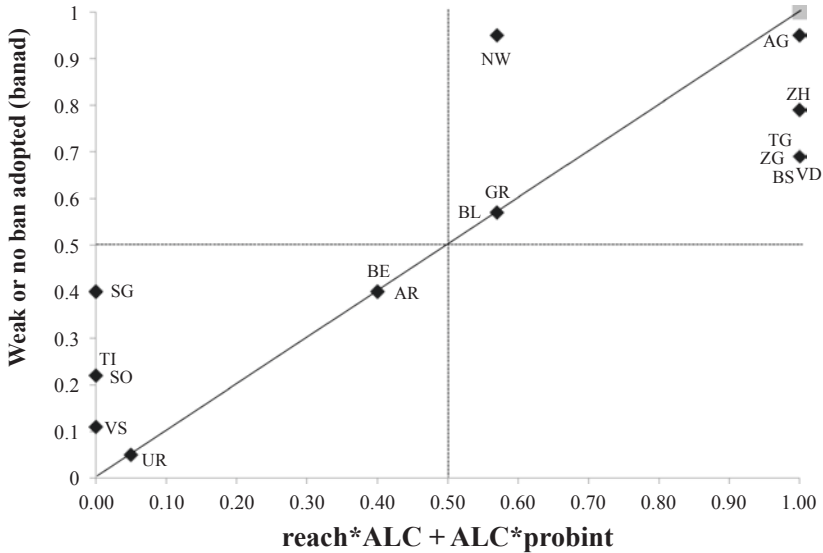
Fig. 12.2 Plot of the sufficient solution for "banad"

A lack of promoters, combined with an enlarged zone of attack for the opponents hampers the dissemination of the ban-idea among parliamentarians and only allows for ineffective or no bans at the macro level.

Once again one can observe the apparent negligibility of the political power balance in this stage of the policy process. The share of seats held by leftist parties in parliament does not have any influence on the outcome. It is not only leftist parliamentarians then that are willing to learn about the advertisement bans and install them in their canton. Members of other parties are receptive to the idea as well when they are confronted with it in the parliamentary arena.

CONCLUSIONS: THE HARD CASE RESOLVED

We started our discussion with the challenge of finding an explanation for one of the hardest cases for learning: tobacco prevention. Although the evidence is clear and has been produced for decades, a large part of the global population continues to consume tobacco products. Official

prevention measures have been introduced, albeit at a slow pace and with huge variations among countries or even regions.

To tackle this problem, we have combined the learning lens on the policy process with Kingdon's Multiple Streams Framework (MSF). The union creates benefits for both. While the MSF highlights factors that could further or hinder the learning process in the agenda-setting and decision-making stage, learning as a theoretical lens establishes the context for the analysis and provides a more systematic view on what happens exactly during these two stages. Whether or not the coupling of the streams occurs in a political system is not purely contingent, as postulated by the MSF. Instead, it can be traced back to the dissemination of ideas and the learning process of individuals.

Turning to methods, the set-theoretic method QCA has identified the different constellations that enable or restrain the learning process in the Swiss cantons. In the stage of agenda-setting, a multitude of combined factors can influence whether or not an individual picks up the idea of the bans and introduces them to the official agenda. As expected, the bans mostly appear in urban regions with strong leftist forces. Rural regions with strong representation of tobacco interests deter prevention promoters from starting a political discussion. During decision-making, it is the combination of convincing policy proposals with favourable constellations in the lobbying system that leads to the adoption of wide-reaching bans. What is more, the issue of tobacco advertisement bans does not seem to trigger the classical ideological divide. Parliamentarians displayed varying willingness to learn about the bans and install them in their legal system, regardless of their partisan attachment.

Even though a generalization of the findings may be difficult due to the peculiarities of the Swiss system, policy-makers, activists and lobbyists should note the lessons about different macro-level characteristics and possible interaction effects when they want to introduce new legislation in a political system. Moreover, our approach and method can be fruitfully applied to other regions, be it to compare subnational units or to compare entire countries. A transfer to other policies might also be worthwhile considering.

For scholars working with theoretical approaches to policy learning, this chapter has revealed the added value we generate when learning is combined with another suitable theory to solve an empirical puzzle. Arguably other cross-fertilisations with established theories of the policy process will yield further valuable results.

Notes

1. Age-standardized prevalence estimates for daily tobacco smoking among persons aged 15 and above in 2013 (World Health Organization 2015, Appendix X).
2. According to Vatter (2002, p. 20), the common history and the overarching national system create quasi-experimental conditions for cross-case comparisons of the cantons.
3. For a notable exception see the survey experiment of Butler et al. (2017).
4. The abbreviations reported in this section are used for the analysis later. The rendering in uppercase letters points to the presence of the phenomenon in contrast to its absence in lowercase letters, a distinction that will become important during the analysis.
5. http://www.lungenliga.ch. Accessed 25 August 2017.
6. Some cantons restricted the ban for example to billboards on public buildings or advertisements in cinema. For a complete list of the different areas mentioned in the legal drafts and final laws, cf. online appendix (https://doi.org/10.1007/978-3-319-76210-4_12).
7. Applied R packages: QCA, SetMethods, QCAtools; Duşa (2016), Quaranta (2013), Lewandowski (2016).
8. Abbreviations used: LEFTP = left parties in parliament; LEFTG = left parties in government; TOB = tobacco interests; HEALTH = health lobby (health organizations or administrative unit promoting tobacco prevention); URB = urbanity; BANAG = ban on the political agenda.
   The applied notation corresponds to the standards most often used in QCA analysis. Uppercase letters indicate the presence of a phenomenon, lowercase letters indicate its absence. The asterisk (*) denotes a simultaneous occurrence of two phenomena (intersection of conditions), the plus-sign (+) signifies that at least one of the two phenomena are present (union of conditions). The arrow pointing to the right ($\rightarrow$) represents sufficiency.
9. Abbreviations used: LEFTP = left parties in parliament; PROBINT = simultaneous presence of strong health interests and weak tobacco interests; REACH = reach of the policy proposal entering parliamentary discussion; ALC = connection of the policy proposal with ban on alcohol advertisement; BANAD = wide reach of the adopted advertisement ban.

10. Parameters of fit for REACH: Consistency = 1.000, Coverage = 0.846, Relevance of Necessity = 0.836.

11. The analysis yielded two possible solutions for the positive outcome, with the second solution being 'REACH * PROBINT + REACH * alc * leftp → BANAD'. This can occur when two tied logically redundant prime implicants are found during the minimization process (Schneider and Wagemann (2012, p. 112). If this is the case, Legewie (2013) advises the researching community to choose the model that makes most sense from a theoretical or substantive point of view. As the two solutions found here are equivalent in this regard, I chose the solution that exhibits slightly better values on the overall parameters of fit 'solution consistency' and 'solution coverage'.

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The Policy-Making of Investment Treaties in Brazil: Policy Learning in the Context of Late Adoption

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As recently as 2013, the Brazilian government made a significant shift in its policy to foreign investments. It was in that year that it broke with a long-standing position and embarked on a series of negotiations of investment agreements with other countries. By the end of 2015 Brazil had signed investment treaties—named *Agreement on Cooperation and Facilitation of Investments* (ACFI)—with Angola, Chile, Colombia, Malawi, Mexico, Mozambique and Peru. Later, in 2017, Brazil signed an investment treaty with the other States parties of the MERCOSUR

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(Argentina, Uruguay and Paraguay) which is heavily inspired by the ACFI. The reasons that make these developments worthy of interest are twofold: Firstly, until then, Brazil stood out as one of the major economies *never* to have had any international investment agreement in force. This is a remarkable fact in itself, as virtually the entire globe has signed treaties of this type—in particular the so-called Bilateral Investment Treaties (BITs)—especially after the 1990s (Elkins et al. 2006). Secondly, although Brazil decided to join the club of countries having investment agreements, it did so bringing along its own model of agreement—a model that is unique among other factors because it radically departs from the globally widespread BIT format.

How do we make sense of this recent shift of the Brazilian government towards the voluntary late adoption of a specific endogenous variety of investment agreements? Following the literature on comparative public policy, patterns of adoption can be seen as the consequence of diffusion processes, whereby decisions made in a given jurisdiction are influenced by other decisions made elsewhere. Late adoption—occurring when the cumulative distribution of adopted policy is well above fifty percent of the reference population, as it is the case of investment agreements—can be the consequence of two very different diffusion mechanisms: on the one hand, the attainment of a critical mass of previous adopters could make further adoption inevitable as the policy innovation becomes taken for granted (Rogers 2010); on the other hand, decision-makers could learn over time from policy solutions that have proven successful in other jurisdictions (Berry and Baybeck 2005). As we will see, in the case under investigation, the new policy centered around the ACFI appears to be more in line with the latter mechanism—a process of policy learning—, as Brazil did not simply adopt a pre-defined model of investment agreement, but rather developed a new, different type of bilateral treaty. This approach was possible because Brazil did not experience time pressure: the country remained attractive for investors even in the absence of an agreement. We shed light on the elements that account for the particular design of the Brazilian approach to its investment treaties.

Our chapter seeks to validate and qualify this expectation of a learning process by exploring three main research questions: (1) Whether the adoption of international investment treaties can be considered as an instance of policy learning; (2) Whether the learning process, if any, went along a Bayesian rational process or a rationally bounded process; and (3) Whether the learning process, if any, was reflexive and geared

towards political and/or policy outcomes. In other words, the question is whether the new model serves strategic or instrumental purposes. Finally, by way of conclusion, we will try to distil the scope conditions for this type of late adoption, contributing thus more generally to the literature on policy diffusion.

After a short theoretical section, this chapter proceeds by contextualizing the case studied here. It presents the relevant elements of the international rules governing foreign investments, in particular the global expansion of BITs in the 1990s as well as the increasing criticism this type of treaties confronts today, in the developed and developing world alike. This is followed by an examination of why and how Brazil stayed out of the reach of the BIT-boom wave and has remained an outlier in the investment regime until very recently. The experience of Brazil during this period provides a number of lessons that explains the contours of the new policy expressed in the ACFIs. These lessons, along with others stemming from the Brazilian experience in other policy areas, are viewed in the subsequent section, where the main features of the ACFIs are studied with the specific purpose of spelling out how much the design of this model agreement can be explained as the result of policy learning. Indeed, the design of the Brazilian model agreement can be grasped only by understanding the trajectory of Brazil as a player in the global regimes of investment and trade, as well as by taking into consideration recent developments in the global governance of investment. The lessons emerging therefrom account for the main outlines of the new Brazilian policy to investment agreements. Therefore, while the emergence of the ACFI represents an important shift in the Brazilian policy for foreign investments—as well as an innovative approach to rule-making in this area, when viewed in the global context—, it draws on a number of discernable policy preferences that have been shaped over the years by the interaction of Brazil with international regimes, especially those of trade and investments.

POLICY LEARNING AND LATE ADOPTION

When decision-makers voluntarily adopt a policy model after a 'late majority' of adopters already did so (Rogers 2010), two sets of competing explanations shall be considered. On the one hand, an emulative dynamic could be at work, whereby the attainment of a critical mass of previous adopters makes the further adoption of a policy innovation

inevitable (Rogers 2010). Accordingly, in the case considered in this chapter, investment agreements would have become a take-for-granted solution once they are widespread, regardless their instrumental properties (Hannan and Carroll 1992). On the other hand, decision-makers could have learnt lessons over time from policy solutions—such as investment agreements—that have proven successful in other jurisdictions (Berry and Baybeck 2005). In terms of observable implications, the mindless implementation of the "standard model" would support the former dynamic, while the development of an endogenous model would speak in favor of the latter process.

- H1a: The adoption of ACFI in Brazil followed an emulative dynamic.
- H1b: The adoption of ACFI in Brazil followed a learning process.

Secondly, if the hypothesis of learning is confirmed, one can distinguish between a rational process based on the Bayesian updating of prior beliefs (Meseguer 2009) and a rationally bounded process structured along cognitive heuristics (Weyland 2009). According to a rational Bayesian process, governments have prior beliefs about the consequences of policy choices that are updated and produce policy change when decision-makers observe and take stock of the successful experience of other governments with other polices in the view of maximizing their expected utility. Instead, the use of cognitive heuristics implies the application of normative shortcuts that cause distortion and biases in the judgement of decision-makers. A well-known example is the tendency of attributing a disproportionate importance to the experience of a country whose information is easily available, regardless of its pertinence for the policy problem at stake.

- H2a: Learning, if any, went along a Bayesian rational process.
- H2b: Learning, if any, went along a rationally bounded process.

Thirdly, we will determine whether the learning process (if any) is 'reflexive' (Dunlop and Radaelli 2013) and, thereby, mostly oriented towards political and/or policy outcomes (Gilardi 2010). Political learning occurs when the success of a policy model is evaluated in terms of the strategic advantages directly provided to the decision-makers, for example in terms of electoral competition. Conversely, the yardstick by which policy

learning is assessed corresponds to the instrumental properties of a policy model, that is, to the expected capability of solving the policy problem under investigation. It is worth noting that in this case the two hypotheses are not alternative but complementary.

- H3a: The learning process, if any, was geared towards political learning.
- H3b: The learning process, if any, was geared towards policy learning.

To examine the plausibility of these hypotheses, we will evaluate their congruence with existing evidence on the patterns of adoption in the Brazilian case using primary and secondary sources.

Contextualizing the Case: Bilateral Investment Treaties, from Global Expansion to Growing Criticism

Differently from many areas in international politics—such as trade, human rights and the environment—where there exist *multilateral* rules by which a significant portion of the countries in the world agree on common legal standards, the protection of foreign investments is largely covered by *bilateral* treaties.[1] These agreements—of which there exist nearly 3300 today,[2] signed by virtually every government in the world—often take the form of what is called Bilateral Investment Treaties (BITs).[3] They lay down rules aimed at protecting investments by a national of one of the (State) parties to the treaty against measures taken by the other (State) party, in the jurisdiction of the latter—in cases, for example, of acts of expropriation taken by one of the parties. Figure 13.1 shows the cumulative number of BITs signed worldwide over time.

Although there are variations across BITs, a common legal commitment to most of them are Investor-State Dispute Settlement (ISDS) clauses.[4] These provisions enable investors to subject States to international arbitration to rule on measures adopted by the latter. ISDS provisions set BITs apart from international treaties in general since traditionally disputes submitted to international tribunals have as parties exclusively States, not natural or legal persons.[5]

The justifications often invoked for the existence of ISDS clauses are the alleged risks that would ensue if investors were left to seek redress before national courts (where governance problems might be a reality) for any harm to their investments they might suffer having origin
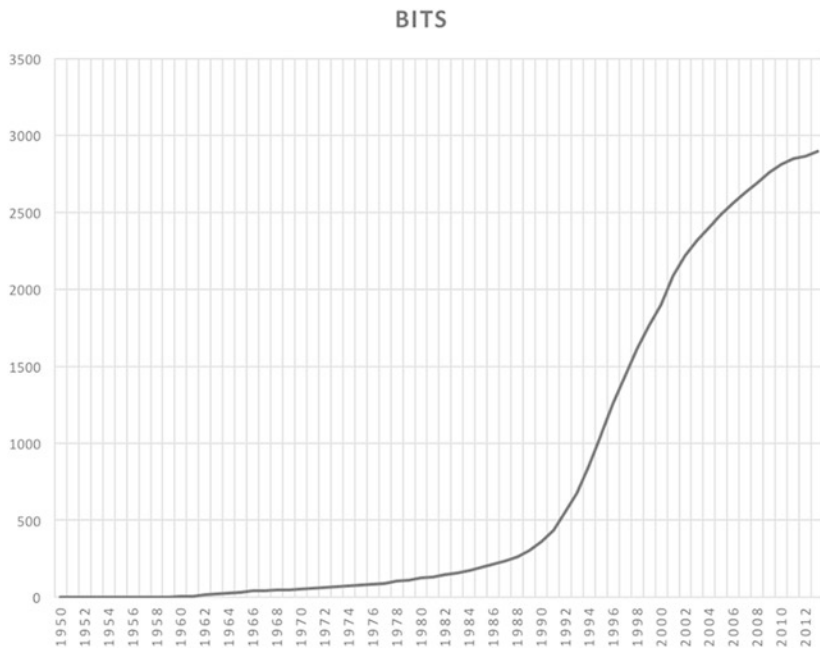
BITS

Fig. 13.1 Cumulative BITs signed (*Source* UNCTAD, dataset compiled by Poulsen)

in measures adopted by the local authorities of the host State. Another would be the 'de-politicization' of investment disputes, since under ISDS mechanisms the decision to pursue international litigation is taken exclusively by the investor. It is argued that if the home State of the investor were required to decide on whether or not to move forward with the dispute settlement, this decision would inevitably be a political one—with the risk that the investors' grievance might be put aside or downgraded in importance in view of broader political considerations regarding the bilateral relations between the involved States.

It should be evident that this type of provision ultimately limits the exercise of the sovereign prerogative of a State to determine the conformity to law of events taking place in its jurisdiction. It is also unique in that it subjects decisions taken by a State to the authority of an international arbitration tribunal in pursuance of a claim brought by a private

party. Yet, many countries signed up to BITs containing ISDS clauses—especially developing countries—as this was considered an important signal by cash-strapped economies to attract much-needed foreign investment.[6] It is for these reasons that originally most of the BITs were signed between a developed and a developing country.

In addition to ISDS clauses, BITs also often contain a number of standard rules that commit the States parties to afford an investor of the other party a minimum level of protection. It is these standards that will be applied, if needed, by international arbitrators should a dispute arise. These rules are, for example, the commitments by which States agree to grant investors—nationals of the other party—'fair and equitable treatment', or that protect investors against measures 'having an equivalent effect' to an act of expropriation or also that accord investors treatment as favourable as that granted to investors of third States with which a host State has entered into an investment agreement ('most-favoured nation' treatment).

The 1990s saw the most significant expansion of the BITs, with the number of agreements increasing from 385 at the end of the 1980s to 1857, involving 173 countries, by the end of the 1990s.[7] There are now 2958 BITs.[8]

Previous research has found that this impressive spread of investment treaties depends on both competition and coercion as diffusion mechanisms (Elkins et al. 2006). On the one hand, growing international competition among potential host countries creates pressures to improve the credibility of their domestic legal frameworks to attract foreign direct investment flows and thereby to sign investment agreements. On the other hand, conditionalities such as those provided by IMF assistance plans and loans frequently act as drivers for entering into BITs. A recent piece of research argued convincingly that, in view of the strong interest to attract investments, many developing countries signed BITs under such a degree of bounded rationality that they did not engage in the 'careful scrutiny and bureaucratic review' expected in the context of negotiations entailing potentially costly international obligations. What is more, even after arbitration decisions started to emerge ruling against public policies adopted by States, 'officials failed to seek and consider relevant information about the liabilities and regulatory constraints that could arise from investment treaty arbitration' (Poulsen 2015, p. 17). In other words, the potential of international arbitrators to second-guess on national public

policies by means of the interpretation of rules such as 'fair and equitable treatment' to an investor has not been duly assessed when negotiating and signing investment agreements. As this chapter shows, the experience in Brazil points to another, complementary explanation.

To begin with, the growing number of cases investors brought against States before international arbitrators contributed to wane the global appeal that had led most of the countries to sign BITs. A total of 767 ISDS cases are reported by the UNCTAD between 1987 and 2016.[9] Arbitration cases emerged where investors would claim that measures taken by public authorities in areas such as environment, utilities and financial stability would impair their rights stemming from a BIT. Initially, most cases were filed against developing countries. According to the UNCTAD, '(…) at least 73 governments—45 of them in developing countries, 16 in developed countries and 12 in South-East Europe and CIS [the Commonwealth of Independent States]—were involved in investment treaty arbitration by end 2007. (…) As many as 90% of known disputes were initiated by firms headquartered in developed countries'.[10]

More recently, investors have been increasingly taking to international arbitration also measures adopted by developed countries—and this (literally) brought home to traditional capital-exporting countries the concrete implications of the BITs, in particular of ISDS provisions. Claims brought against developed countries accounted for 40% of the total in 2015.[11] High-profile cases against developed countries in public policy areas such as public health and the environment have contributed to give an unprecedented (negative) visibility to the concrete operation of the BITs and their ISDS clauses, spurring public debates on the very appropriateness of ISDS. In Europe, for example, public outcry against ISDS almost derailed the EU-Canada trade agreement, the Comprehensive Economic and Trade Agreement (CETA).

The conjunction of the experiences of developing and developed countries has ushered in the current stage in which the reform of the international investment agreements is the mainstream policy orientation. While some countries are denouncing or not renewing their BITs,[12] others are working on proposals that simultaneously preserve the core features of the ISDS mechanisms but address what have been considered institutional shortcomings of the arbitration system.[13]

It is in this moment of reform that Brazil decided to join the system, but it did so drawing on a different experience as the ones described above.

The Experience of Brazil with the Investment Regime: Learning from the Outside

Brazil did not exactly miss the signing spree of BITs during the 1990s. In fact, the country signed 14 BITs during that period and 6 of these agreements were submitted to the Brazilian National Congress as a step in the process of ratification.

The debates in Congress reveal a strong resistance to letting these agreements be ratified by the Brazilian government in the terms they had been negotiated, that is, following the standard content of BITs. Lawmakers opposing the approval of the BITs were not a numerical majority, but they have been influential enough to convince other lawmakers of their case. This led the Brazilian Executive to withdraw from Congress all the BITs that had been previously submitted for approval after appraising the political cost of forcing its way through parliamentary resistance (Campello and Lemos 2015, pp. 1055–1086).

One of the interesting aspects in this process is the contrast between the existence of a rather sophisticated debate in the Brazilian Congress on the implications of BITs—which could easily be confused as part of the current discussions on the reform of investment agreements—with the apparently altogether scarcity of discussions in a number of developing countries that by then were entering into this type of agreements. The debates reveal a unique degree of awareness to the risks that BITs could entail to the decision-making capacity of the State. According to the text of the *rapporteur* of the Brazil-Germany BIT, adopted unanimously in more than one committee in the Brazilian Chamber of Deputies (lower house of the federal-level Legislative branch), '(…) the need to attract foreign investments should not, in our view, prevent the necessary debate on the legal, economic and political implications that will ensue from agreeing with' the BITs.[14]

Lawmakers at the time warned about the risks of limiting the policy space enjoyed by authorities. It was argued that the BITs would constrain the possibility of, for example, implementing domestic policies aimed at fostering local industrial and technological capacity, since this could entail some sort of discrimination against non-nationals. Dealing with the BIT provision that prescribed the need for compensation in case of measures that would amount to indirect expropriation, the report adopted by the lawmakers contains language that would easily pass for a text currently being discussed on investment agreements: "(…) the

poorly-drafted and open-textured wording of this provision might lead to a wide range of interpretations. (…) [T]his provision would open the way for abusive claims by a foreign company at the same time that it would limit the capacity of the State (…) to regulate economic activities having in view labor, environmental, public health and other concerns, as well as the national interest."[15]

Another area that risked being affected was the ability of the government to regulate the flow of capital in the case of balance of payments emergencies, as the BITs prescribe the free flow of funds invested in the host State.[16]

In addition, although at the time the number of investor-State disputes was not as pronounced as today, the ISDS clause attracted a great degree of criticism. In particular, parliamentarians made the political argument that the ISDS provisions "would put at the same level two completely different subjects: the Brazilian State, an entity endowed with international legal personality, and a domestic private law entity",[17] which caused concern in itself, aside from the fact that it enabled the foreign investor to escape the authority of the Brazilian courts. This argument, in turn, backed the legal claim, also raised at the time, that the ISDS clause would grant "the foreign investor a privilege denied to the national investor", who would not enjoy the same prerogative of bypassing the Brazilian judicial system.[18] Such discrimination would be inconsistent with the Brazilian constitution. For these reasons, lawmakers raised the possibility of conditioning the presentation of any claim by an investor before an international tribunal to the acquiescence of the Brazilian government—which in reality deprived the ISDS clause of a core element.

Lawmakers also questioned the claim that BITs would be important in the efforts of developing countries to attract foreign investment. They pointed to the fact, already visible at the time, that many countries had signed BIT and yet were not recipients of foreign investments.

As mentioned before, the criticisms raised during discussions in Congress were enough to motivate the Brazilian Executive to discontinue the domestic approval process of all the BITs the country had signed, not only the 6 submitted for parliamentary scrutiny. Although it was left wing lawmakers that led the efforts to propose adjustments to the BITs—so as to respond to concerns with the policy space as well as to afford equal treatment towards the national investors—, their arguments received support across party lines.

Table 13.1   Brazil as a destination of foreign investment (*Source* UNCTAD World Investment Reports)

Position in the top 20 global investment destinations 2006–2015	
Year	*Position in the ranking*
2006	19
2007	14
2008	10
2009	14
2010	5
2011	5
2012	5
2013	7
2014	6
2015	8

The lessons from the debates in Congress would persist and help shape the design of the ACFI years later.

Some of the claims raised during the congressional debates would be borne out. One of them concerns the causal link between BIT and the attraction of investment. Despite the decision not to be a party to any BIT, Brazil not only continued to be attractive to foreign investments in the period following the rejection of the BITs, but it became even more attractive over the years, as shown in Table 13.1.

Brazil has also kept a continuous stance towards international dispute settlement. If approved, the BITs would have represented a break from a steady line in foreign policy by which Brazil only recognizes the authority of international tribunals that adjudicate on State-to-State disputes. Until today this remains the position adopted by Brazil. Perhaps the only noteworthy departure from this political preference is the recognition of the jurisdiction of the Inter-American Court of Human Rights, a tribunal with power to rule on violations of the Inter-American Convention on Human Rights. But even in this case private parties do not have direct access to the tribunal—as in the BITs—since they have to submit their claims to the Inter-American Commission on Human Rights, which is then entitled to submit the claim to the Court, if convinced of the need to do so.[19]

Furthermore, in the years following the rejection of the BITs in Congress, Brazil became one of the most active participants in trade litigation within the (quasi-judicial) dispute settlement system of the World Trade Organization, which exclusively admits State-to-State claims. This development certainly contributed to generate an important expertise

in international trade disputes in Brazil, with possible cross-fertilization towards investment disputes. But, more deeply, it also reinforced the foreign policy preference for State-to-State dispute settlement before international tribunals.

Another experience with international dispute settlement was simultaneously gaining traction at the regional level, within the MERCOSUR, the free-trade bloc comprising Brazil, Argentina, Paraguay and Uruguay. Dispute settlement procedures within MERCOSUR are essentially divided between a first stage, where technical and diplomatic consultations are held between involved States with a view to finding a solution to a trade issue, and a final, last resort phase, where the claim is submitted for resolution before a regional tribunal.

While the total number of disputes taken to judicial resolution in MERCOSUR is not significant—14 cases over more than 20 years—the experience gained from addressing and/or solving disputes at the consultations stage is far from negligible. This experience exposed Brazilian officials to the permanent practice of alternative (i.e. non-judicial) methods of dispute settlement with their peers from other member States of MERCOSUR. Thus, if it may be argued that recourse to these methods might not always have proved successful, it is also fair to recognize that experience was gained nonetheless.

In sum, even if Brazil remained an outsider to the investment regime, its trajectory saw emerge a number of lessons that would prove instrumental once the country opted to become an actor in the investment regime. In particular, the Brazilian experience (1) demonstrated that BITs were not *sine qua non* to attract foreign investment; (2) revealed the existence of influential voices in Congress against granting foreign investors prerogatives that could encroach upon the policy space of public authorities; and (3) reinforced the perception that international disputes should be solved among States, whether at the diplomatic level or before international tribunals.

DESIGNING THE ACFI: DISCERNING THE IMPACT OF POLICY LEARNING IN THE OUTLINES OF THE NEW BRAZILIAN POLICY FOR FOREIGN INVESTMENT

During the course of the 2000s, Brazil strengthened its position as a capital-exporting country, alongside remaining a traditional destination for foreign investment. The stock of Brazilian outward investment doubled

Fig. 13.2 Growth of Brazilian outward direct investment (*Source* Central Bank of Brazil)

between 2007 and 2015, from US\$ 140 billion to over US\$ 280 billion (Fig. 13.2).[20] In Europe, for example, the stock of investments detained by Brazilian nationals is larger than the one by the Chinese. While Brazil accounts for 2.2% of the total stock of investments in Europe (2015 figures), China is the origin of 2%.[21] According to recent research, in 2015 '*the top 20 Brazilian MNEs [multinational enterprises] had combined foreign assets of approximately US\$ 96 billion (…) and 174,448 foreign employees*'.[22]

The increased internationalization of the Brazilian economy gave new momentum to the debate about the need for Brazil to join the international investment regime,[23] only now with a stronger focus on the outward expansion of Brazilian investments. The Brazilian government and the private sector saw in this new trend a window of opportunity to rethink the traditional position with respect to the BITs,[24] especially with a view to mitigate the political risks that Brazilian investors were beginning to experience as they ventured outside Brazil.

From the perspective of the Brazilian government, although the will was present to give a fresh look at this topic, there was the concern 'to avoid the problems emerging from the traditional agreements (…)',[25] that is to learn from the experience of third countries with the BITs.

The ACFI was therefore the product of the interplay between the interests of the private sector, the lessons learnt by the government during the recent past, the lessons observed from the experience of

third countries with respect to the BITs, but also of a forward-looking approach to investment agreements that Brazil sought to introduce within the international investment regime.

This new approach finds expression in the idea of 'facilitation' of investments and in what undergirds this notion, namely the intention to lay down disciplines for fostering the long-term exchange of investments between the States parties. This represents a shift from the manner BITs govern investment protection, which is heavily focused on the disputes stage and on the rights an investor can claim against a respondent State. The ACFI, in contrast, places the emphasis on how the State's parties can streamline their respective domestic investment environments and on how possible emerging frictions can be dealt with without the need to resort to a full-blown dispute settlement procedure before an international tribunal.

But even this new element introduced by the ACFI within the framework of international agreements—the idea of 'facilitation'—draws on lessons stemming from another area, that of trade negotiations, where the World Trade Organization had successfully been able to adopt the Trade Facilitation Agreement in 2013. The experience of legislating on 'facilitation measures', in opposition to rules with little flexibility, an arguably new type of approach in trade law, provided a clear inspiration to the ACFI.

The ACFI also deliberately avoids provisions of BITs that have proved controversial over the years, such as 'fair and equitable treatment' to investors and protection of the investment against measures that could be considered equivalent to acts of expropriation. The option to leave out possible constraints on the ability to implement public policies is motivated by the interest of inhibiting far-reaching interpretations of these clauses as has been documented in previous decisions by international tribunals in cases involving countries that, differently from Brazil, are parties to BITs. Furthermore, this option also takes into consideration the concerns voiced during the debates of BITs in the Brazilian Congress in the early 2000s—concerns which arguably are still prevalent in Brazil.

The most notable feature of the ACFI, when placed in contrast to the traditional BITs, though, is the lack of Investment-State Dispute Settlement. The Brazilian model investment agreement provides exclusively for disputes to be settled on a State-to-State basis and conditioned on the failure to solve the case during the consultations stage.

Table 13.2 Why not opt for an agreement with ISDS provisions? Lessons from international and domestic experiences

Origin	Lessons
International-level	• Countries that had signed BITs faced constraints in their policy spaces as a result of decisions taken by arbitral tribunals established under investor-state dispute settlement rules
Domestic-level	• No evidence that lack of BIT (nor the commitment to accept ISDS mechanisms) dissuaded foreign investors to come to Brazil • Positive experience with state-to-state dispute settlement in trade matters at the World Trade Organization • Experience gained in MERCOSUR of dealing with state-to-state consultations as a condition to beginning dispute settlement by international tribunals
	• Negative experience when the Brazilian government tried to pass BITs in Congress (early 2000s). Provisions for ISDS contained in those treaties have been subject to intense criticism, including claims of inconsistencies with the Brazilian Constitution. Arguably, these claims remain valid

This option clearly owes to the lessons accumulated over the years, in particular to the perception that this traditional policy preference has been proving the right one for a country like Brazil.

In some respects, the decision not to incorporate an ISDS clause into the Brazilian model agreement summarizes the reasons that explain more broadly the main features of the ACFI. And these reasons, listed in Table 13.2, are in turn mostly due to the particular interaction of Brazil with the international investment regime, but also takes into account the (negative) experience of third countries with a regime where the BIT-format prevails.

How Much Policy Learning Is Built into the Design of the Brazilian Investment Model Agreement?

This chapter explores an empirical puzzle with important theoretical implications: as a late adopter of investment agreements, what accounts for the specific features of the Brazilian approach?

Firstly, the Brazilian government was faced with the challenge of rethinking its traditional stance with respect to international investment agreements, a challenge that was presented by the Brazilian private

sector, an actor with increasing interest in a fresh approach to this policy area in view of the internationalization of the Brazilian economy. In designing this policy shift, though, the Brazilian authorities drew inspiration from lessons learned by Brazil not only in the area of foreign investments, but also from other areas, such as trade. Thus, while the ACFI marks a break with a tradition, it also represents the projection of preferences Brazil has long held in other areas now to the area of investment. Interestingly, at the same time that it reflects a collection of long-standing policy preferences promoted by Brazil, the Brazilian model of investment agreement is very innovative when put in contrast to the solutions being sought by actors who are currently engaged in reforming the regime of investment agreements—most of which are pursuing no more than incremental changes to the BITs. The development of such an endogenous approach corroborates the hypothesis (1b) of learning, while disqualifying the hypothesis (1a) of emulative dynamics.

Secondly, our analysis has shown that Brazil went through a learning process, which can be tentatively qualified as Bayesian, whereby prior beliefs are progressively updated in the light of available evidence. In particular, our narrative shows that the lessons learned from the past and from abroad were actually used by the government in a context-sensitive manner to develop the endogenous version of BITs, the Brazilian model of investment agreement. This finding (which supports hypothesis 2a) is in line with analogous research pointing to the 'pragmatic' approach of Brazil in international economic relations (Gabriel 2016; Trubek et al. 2017). Instead, no strong evidence pointing to the use of cognitive heuristics is found (hypothesis 2b).

Thirdly, the government was able to draw lessons from both negative and positive experiences (Stone 2001), in a context characterized by the increasing attractiveness of Brazil for foreign investments and its economic internationalization. Negative experiences concerned the existing constraints derived from BITs, at the international level, and the parliamentary rebuttal of BITs in the early 2000s, at the domestic level. Positive experiences were mostly derived from State-to-State management or settlement of disputes in international organizations such as WTO and MERCOSUR. This process of lesson-drawing that proceeds through the explicit evaluation of negative and positive experiences in terms of policy success is mostly consistent with a process of policy learning (hypothesis 3b), occurring when decision-makers are primarily

interested in the instrumental implications of policy innovations (Gilardi 2010). Instead, since the late adoption of these agreements cannot be considered as particularly electorally palatable, the complementary hypothesis of political learning is not confirmed (hypothesis 3a).

More generally, this case also sheds light on processes of late adoption. First of all, it confirms that late adoption does not necessarily follow the attainment of a critical mass regardless the properties of the policy innovation at stake. Instead, it can be the outcome of a learning process. Furthermore, it suggests that a longer time span before adoption may enable Bayesian learning, as opposed to bounded learning, which would be more likely to take place within a shorter time frame.

Finally, a structural factor such as the growing economic attractiveness and international integration of Brazil seemed to have played a key role as trigger of an instrumental process of policy learning geared towards new policy solutions. This factor—perhaps more than the others that make unique the Brazilian case—might also be relevant to understand the conditions that could enable other countries to depart so significantly from the globally-disseminated BIT format of investment agreements.

In fact, this structural factor suggests that—at least in the realm of investment agreements—the possibility of engaging in a process of policy learning might not be an option to some actors, which would have no alternative than to subject to the dissemination of standards drafted elsewhere. This line of reasoning would explain the significant shifts in investment policy recently put in place by countries of a roughly comparable global presence to Brazil, such as India and South Africa. In fact, in 2015 India approved a new model BIT which to a large extent tilts the balance of the commitments towards safeguarding concerns with policy space. The new Indian model BIT also prescribes more strict conditions for investors to resort to dispute settlement (Hanessian and Duggal 2017). South Africa also redirected its investment policy, in a development that included the termination of some of its BITs as well as the adoption of legislation subjecting investor claims to domestic remedies and, ultimately, to State-to-State international arbitration (Mossallam 2015).[26]

It could be argued that these countries are endowed with the conditions to bear the political-economic costs that might be associated with altering their policies in such a significant manner. In other words, these countries can afford to turn their learning into policy-making input.[27]

Conclusions

In this chapter, we examine the experience of Brazil in the regime of investment agreements as a case study of policy learning. This regime is dominated by a type of international agreement—the BITs—which is vastly disseminated worldwide, across developed and developing countries. Despite enshrining commitments that restrict the policy space enjoyed by States, end does not seem to be in sight for the BIT. Although the idea of a reform of the investment regime is now mainstream, there remains a strong resistance to move beyond incremental adjustments to the BIT.

Brazil has never been a party to a BIT, a virtually unique position. Furthermore, when the country decided to bind itself to investment agreements—beginning in 2015 and with an eye on its growing outward investments—it did so under its own terms, following a model agreement it conceived, which departs significantly from the BIT.

The Brazilian experience also stands out from those of other developing countries, some of which, as mentioned in this chapter, signed up to BITs unaware of the full consequences of this decision. The debates currently seen in developed and developing countries around features of BITs—such as the Investment-State Dispute Settlement mechanisms—took place in Brazil in the late 1990s-early 2000s, especially in the Brazilian Congress. The upshot is that Brazilian authorities realized that parliamentary rejection to BITs are a concrete scenario.

Furthermore, the Brazilian case also apparently defies the argument that BITs were necessary to attract foreign direct investments. The recent changes in investment policies in countries such as India and South Africa should provide additional inputs to the future discussion on this alleged causal link between mainstream BITs and attraction of investments.

As argued in this chapter, Brazil drew on these and other experiences when it opted to change its policy towards investment treaties and join the network of investment agreements. The design of the Brazilian model investment agreement—the ACFI—was the result of an instrumental policy learning process geared towards the Bayesian updating of prior beliefs, whose features can be discerned in foreign policy preferences long held by Brazil as well as on the (negative) experiences of other countries. Interestingly, while the Brazilian model agreement stands out as innovative when compared to 'reformist' approaches

adopted by other countries, it is by and large very faithful to the views of Brazil regarding the regulation of trade and investments.

Finally, the case studied here also suggests that this type of policy learning process—at least in the realm of investment agreements and treaties with similar characteristics—might be an option available only to actors possessing a number of enabling conditions (in the example of Brazil, the capacity to attract investment without committing to BIT-type rules due to its market size, growth and attractiveness). For actors lacking such conditions, the alternative could be no more than subjecting to the dissemination of standards drafted elsewhere.

Notes

1. The draft *Multilateral Investment Agreement*, negotiated within the framework of the OECD between 1995 and 1998, foundered due to strong opposition from civil society but also because developed countries were unable to agree on a number of relevant elements of the treaty.
2. The precise number is a total of 3329 treaties, of which 2671 in force. See UNCTAD Investment Policy Hub, at http://investmentpolicyhub.unctad.org/IIA. Accessed 1 June 2017.
3. Aside from BITs, other international agreements may contain disciplines on investments quite similar to a BIT. These treaties, such as free trade agreements, are not the majority of instruments governing investment protection, though. BITs account for 2958 of the total 3329 agreements mentioned above. See UNCTAD Investment Policy Hub, at http://investmentpolicyhub.unctad.org/IIA. Accessed 1 June 2017.
4. Present in 2420 BITs. See UNCTAD Investment Policy Hub, at http://investmentpolicyhub.unctad.org/IIA/mappedContent#iiaInnerMenu. Accessed 1 June 2017.
5. Claims brought before international tribunals can, nonetheless, be originated on grievances suffered by natural or legal persons. But it is the States of which they are nationals that hold the prerogative to decide whether to pursue any sort of redress to this grievance before an international court, under what international lawyers call 'diplomatic

protection'. This is in essence the dynamics of trade disputes at the World Trade Organization, in which claims submitted by a State involve what originally might have been a complaint by a natural or legal person.

6. The causal link between a BIT and the actual attraction of investments is debated among the specialists, but we do not intend to discuss this topic here.

7. See UNCTAD. 'Bilateral investment treaties quintupled during the 1990s', Press release TAD/INF/PR/077, 14 December 2000, available at http://unctad.org/en/pages/PressReleaseArchive.aspx?Reference DocId=2655. Accessed 1 June 2017.

8. See UNCTAD Investment Policy Hub, at http://investmentpolicyhub. unctad.org/IIA. Accessed 1 June 2017.

9. UNCTAD, *Investor-State dispute settlement: Review of developments in 2016*, IIA Issues Note, number 1 May 2017, available at http://unctad. org/en/PublicationsLibrary/diaepcb2017d1_en.pdf. Accessed 12 June 2017.

10. UNCTAD, *World Investment Report 2008*, Geneva, United Nations Publication, p. 16.

11. UNCTAD, *World Investment Report 2016*, Geneva, United Nations Publication, p. 105.

12. South Africa and India, for example.

13. The European Commission is working on a proposal to create a multilateral permanent investment court, with a view to ensuring coherence and more predictability in the decisions on investor-State disputes, as aspect that has frequently been considered a disadvantage of the arbitrations, which are ad hoc. See http://trade.ec.europa.eu/doclib/press/index. cfm?id=1608. Accessed 12 June 2017.

14. Diário da Câmara dos Deputados (*Official Journal of the Chamber of Deputies*), August 2003, p. 37785.

15. *Idem*, p. 37791.

16. This was clear in the discussions in the Brazilian Congress on the Brazil-Germany BIT (Draft Legislative Decree—PDC 396/2000). See the conclusions by the rapporteur of the bill in Congress at http://www.camara. gov.br/proposicoesWeb/fichadetramitacao?idProposicao=13764/.

17. Note 15 above, p. 37790.

18. Idem.

19. Still, in the case of the Inter-American Convention on Human Rights, Brazil did not immediately accept the jurisdiction of the Court. The country joined the Convention in 1992 but only recognized the authority of the Court to hear claims against Brazil in 1998.

20. Central Bank of Brazil.

21. Eurostat, 'The EU continues to be a net investor in the rest of the world', Press release of 12 January 2017, available at http://ec.europa.eu/eurostat/documents/2995521/7788281/2-12012017-BP-EN.pdf/684f355f-8fa6-4e75-9353-0505fa27f54f. Accessed 12 June 2017.

22. Columbia Center on Sustainable Development and Fundação Getúlio Vargas, 'The top 20 Brazilian multinationals: Divestment under crises', report of March 21, 2017, available at http://ccsi.columbia.edu/files/2013/10/EMGP-Brazil-Report-March-21-2017-FINAL.pdf. Accessed 12 June 2017. The figures are underestimated as they do not incorporate results from companies in the construction and in the financial sectors, where the Brazilian economy is also highly internationalized.

23. A point made by two actors directly involved in the drafting of the ACFI: (Cozendey and Cavalcante 2015), p. 89.

24. As, for example, in the 2009 report of the Brazilian National Confederation of Industry, available at http://areapublica.confea.org.br/arvore_hiperbolica/1.1.1.1.03.06/noticias/Integracao%20Internacional_ago09_WEB.pdf. Accessed 12 June 2017.

25. Cozendey and Cavalcante, *cit.* at 89.

26. *See* 2015 Protection of Investment Act, *Act No. 22 of 2015: Protection of Investment Act, 2015*, 15 December 2015, https://www.thedti.gov.za/gazzettes/39514.pdf. Accessed 24 October 2017.

27. The cases of China and Russia are somewhat different as these two BRICS countries, until the present moment, continue to by and large employ the traditional features of the BITs into their treaties.

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Interdependent Policy Learning: Contextual Diffusion of Active Labour Market Policies

Jan Helmdag and Kati Kuitto

Within the transformation of welfare states of OECD countries in past decades, active labour market policies (ALMP) have marked a corner stone of what has been called the 'activation' or 'social investment' turn (Bonoli 2013; Morel et al. 2012). While passive labour market policies (PLMP) aim primarily at social protection and income replacement via unemployment insurance or assistance schemes, ALMPs represent an important tool for raising labour market participation and combatting unemployment. ALMPs consist of different tools like training, employment incentives, and job creation schemes (Bonoli 2010, 2013). As with active social policies in more general, ALMPs are seen as a promising approach for challenges arising from deindustrialization and concomitant

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structural changes in employment, with which all Western democracies are confronted. Activation strategies have also been strongly promoted by international organisations, particularly by the OECD since its Jobs Study (1994) and by the European Union (EU) with the implementation of the European Employment Strategy (EES) in 1997. ALMPs were first implemented in the Nordic welfare states, but gradually intensified by deindustrialization, they have gained ground in all OECD countries. However, the tools of activation, the level of spending on ALMPs in absolute terms and the relation of passive and active labour market policy spending in particular as well as the timing of the turn varies greatly across the OECD countries (Bonoli 2010, 2013). Alike, the effectiveness of ALMPs varies remarkably, depending of the type of activation program. In general, though, there is some evidence of the positive effect of activating unemployed (Kluve 2010; Martin 2014).

With increasing importance of ALMPs, a large body of literature on the political economy of ALMPs has emerged (for example, Armingeon 2007; Bonoli 2010, 2013; Swank 2011; Tepe and Vanhuysse 2013; van Vliet and Koster 2011; Vlandas 2013). The socio-structural transformations of deindustrialization feature a necessary but insufficient condition for changes in labour market policies towards more activation (Bonoli 2013, p. 7). However, variance in labour market activation is also ascribed to domestic politics, e.g. budgetary constraints and partisan politics. Furthermore, several authors recognise the potential importance of international factors for labour market reforms and diffusion processes in particular. So far, only few empirical studies explicitly study the impact of diffusion processes on ALMPs in a macro-comparative setting (Casey and Gold 2005; Franzese and Hays 2006; Swank 2011; Visser 2009). The empirical evidence of diffusional impacts is mixed. On the one hand, economic interests and externalities channeled via interdependencies between economic competitors and neighbouring countries seem to be associated with domestic labour market strategies to some extent (Swank 2011). Franzese and Hayes find that the subsidiarity principle of the EES results in free-riding on the ALMPs of neighboring countries (Franzese and Hays 2006). On the other hand, there is surprisingly little evidence of interdependence-based learning effects despite the similarity of the socioeconomic pressures for adequate labour market policy solution across the OECD countries. The same applies for soft coordination and coercion mechanisms pursued by supranational organizations, and the EES, in particular (Bonoli 2013; Casey and Gold 2005;

Visser 2009). Of the early contributions, van Vliet and Koster (2011) as well as Armingeon (2007) find evidence for positive effects of the EES and mutual learning on the activation turn in LMPs. However, a macro-comparative analysis of diffusion dynamics of ALMPs which can be linked to learning from successful policies is still lacking. This is a gap which we explicitly address in this chapter.

Our study focuses on the effects of interdependent policy learning on the diffusion of active labour market policies in the OECD countries. In particular, we ask whether governments learn from labour market policies of other countries that have proven successful. By success, we mean good performance in increasing labour force participation and in preventing unemployment in accordance with the expressed goals of activation programs. Theories of policy learning stress that learning and concomitant adaptation (or the absence of it) is always contextual and thus conditional on the domestic and international framework within which the policymakers operate (Gilardi 2010; Weyland 2007; Meseguer 2009).[1] We therefore develop a model where policy learning is conditional on both the observation of success (or failure) and the domestic institutional context (modelled via welfare regimes). Our results show that policymakers learn from successful experience of ALMP reform, but mainly within a similar institutional setting and legacy. Furthermore, the EES as international coordination initiative to support ALMPs is a powerful amplifier of learning processes. Not only do we contribute to explaining the activation turn of OECD labour markets, but also to recent scholarship on conditional spatial interdependence in policy-making based on learning (Dolowitz and Marsh 2000; Gilardi 2010; Gilardi et al. 2009; Neumayer and Plümper 2012; Volden 2006; Wasserfallen 2014).

We proceed by first discussing the theoretical rationale behind the assumption of policy learning as a mechanism for diffusion of ALMPs in the following section. Drawing on the scholarship on interdependent policy-making, we explain how and why governments learn from successful and unsuccessful policies of other countries and how their decisions to adapt experiences of countries that are connected may be filtered by the institutional context. Section three presents the operationalisation of the dependent and the independent variables and the methodological decisions. The empirical results of the analyses are discussed in section four. We close summing-up the argument and discussing the broader implications of the results in the conclusion.

Interdependent Learning, Institutional Contextualization and Labour Market Policy Change

There is a broad scholarly consensus about the fact that policy makers are not only affected by their domestic environment when making decisions, but also by policies, ideas and institutions in connected countries (Graham et al. 2013; Maggetti and Gilardi 2016; Shipan and Volden 2012). The spread of ideas, reforms and institutions across countries, which is accelerated by the increasing interaction patterns in the era of globalisation, is captured by the theoretical concept of spatial interdependence, leading to diffusion. Diffusion may result from geographic, cultural, institutional or otherwise defined proximity via four main mechanisms: competition, learning, emulation and coercion (Braun and Gilardi 2006; Elkins and Simmons 2005; Gilardi 2013; Jahn 2006; Shipan and Volden 2008, 2012; Simmons and Elkins 2004).

In case of labour market policy change, the question whether activation policies spread across borders based on learning is particularly interesting in the OECD countries. Learning is most commonly defined as a process in which policy makers use the experience of others to update their beliefs on the consequences of policies (Dobbin et al. 2007; Dolowitz and Marsh 2000; Gilardi 2010; Meseguer 2004, 2006, 2009). From the rationalist perspective, policy makers who decide under uncertainty about the ultimate consequences of policies 'engage in a purposive search for information about possible results of policies, observing vicarious experiences' (Meseguer 2009, p. 18). Consequently, governments as rational learners update their previous beliefs about the expected outcomes of certain policies abroad and adopt successful policies. Different contextual factors can thereby be crucial for the intensity of learning. From the perspective of the diffusion approach, dense interaction patterns due to historical, cultural or political commonalities or economic exchange between countries amplify and enable learning, thus potentially leading to diffusion of policies.

So far, diffusion and, in particular, diffusion by learning has rarely been considered in the ALMP literature (for quantitative approaches, see Franzese and Hays 2006; Hays et al. 2010; Swank 2011; for qualitative approaches, see Casey 2009; Visser 2009). The findings of these studies do not give a coherent picture. Some studies find a positive relationship between competition-driven diffusion and ALMPs which is filtered by the interaction of domestic and international factors (Swank 2011).

The role of learning in ALMP diffusion has gained only little attention, although there is some evidence on interdependent policy learning in passive labour market policies (Gilardi 2010).

We start by the assumption that ALMPs are likely to diffuse across OECD countries, because most of them are confronted with similar pressures caused by structural changes in the labour market and budgetary constraints in financing their welfare systems. Simultaneously, there is an increasing interaction density among the OECD countries in general (Swank 2011). Such functional pressures do not imply similar policy solutions or convergence *per se*, but they constrain a necessary condition for the spread of ALMPs (Bonoli 2013) and make monitoring other countries' solutions more likely. This assumption also entails that policy makers are rational actors despite their ideological background and partisan affiliation, pursue the common goal of increasing labour market participation and learn from successful measures in other countries (Volden 2006; Weyland 2007).

Even in a highly interdependent setting, however, countries are not likely to learn similarly from all countries and not even from all successful countries. According to Franzese and Hays, countries are more likely to learn from other countries with cultural or demographic similarities, since these factors are more crucial than (geographic) proximity (Franzese and Hays 2006, p. 184). Interdependence is not uniform among the units of analysis and therefore, newer approaches to policy diffusion account for contextual and conditional factors which filter and modify the impacts arising from interdependence (Neumayer and Plümper 2012; Wasserfallen 2014). In case of labour market policy diffusion, the type of welfare state sets institutional frames and policy legacies which potentially condition and filter impacts coming from abroad. Therefore, we account for the potential impact of the institutional setup of the welfare states as a potentially important context factor in our analysis. In case of ALMPs, and social policy in more general, we argue that policy makers are more likely to learn from members of the same welfare regime. First, welfare regimes originate from similar socio-cultural roots, so that the same argument which is often used in the diffusion literature, namely that families of nations feature a particularly dense and effective interaction patterns, applies here. Common socio-cultural roots, in turn, amplify diffusion processes. Second and more importantly, countries in the same welfare regime share the same kind of institutional setting and organisational principles of social and labour market policies, building

the legacy on which activation policies fertilise (Esping-Andersen 1990, 1999). Learning from policy measures which have proven effective in a similar institutional setting is more likely than learning from policy success of other countries that are completely different (Casey and Gold 2005; Meseguer 2005, 2006; Radaelli 2004). This applies for both simple learning from the policies in general within the same welfare regime and for learning from policy success of peers in the same regime. As Meseguer puts it 'governments learn rationally but from close, successful performers' (Meseguer 2006, p. 57).

The role of international organizations in promoting certain policies is also crucial for diffusion. Firstly, internationally coordinated action offers a platform for development and dissemination of policy solutions and tools. Learning from the experience of others is easier in an environment of shared knowledge and joint action. Secondly, international organizations and coordinated action also forms social norms and thus pushes social learning of adequate measures and esteemed goals (Checkel 2005; Hall 1993; Radaelli 2008; Sabatier 1988). In case of ALMPs, the implementation of the EES in 1997 which was later manifested in the Open Method of Coordination (OMC) clearly offers an institutional framework for promoting ALMPs in the EU member states, thus additionally reinforcing diffusion of ALMP policies (de la Porte and Jacobsson 2012; Franzese and Hays 2006; van Vliet and Koster 2011). With its peer-review system of labour market programs, the EES is an important institution in promoting successful ALMP measures that previously have been proven effective in other countries.[2] Whether or not the central mechanism for diffusion in the case of ALMP is learning or coercion is debatable. However, it is our opinion that the learning process within the EU is not based on coercion, since the European Commission (EC) solely relies on recommendations with no legal possibility to sanction non-compliance by the member states. Furthermore, it is the EC itself that already at an early stage disclosed that the peer-review process has 'led to increased and more thorough exchanges of information' and 'set up to evaluate the transferability of good practices, and ultimately [m] any Member States have intensified their bilateral contacts and found inspiration in other Member States' approaches' (CEC 2002, p. 16).

Because of the similar problem pressure and the concomitant reforms in most of the countries with matured welfare states and the increasing role of international organisations (EU, OECD, and World Bank) that are promoting active social and labour market policies, learning is

probably the most powerful explanatory mechanism of interdependence affecting social and labour market policies in general and ALMPs in particular (Armingeon 2007; Casey 2004; de la Porte and Jacobsson 2012). Specifically, in search for suitable policy tools, governments are likely to learn from their peers, especially if their policy reforms have led to intended outcomes (Gilardi 2010; Gilardi et al. 2009; Volden 2006). In case of ALMPs, positive outcome performance can be defined as increasing labour market participation rate – bringing not only the unemployed, but also the so far inactive segments of the working age population like homemakers, women in particular, and disabled in the labour market. This reflects the goals of the activation strategy even more adequately than reducing unemployment alone.

Table 14.1 illustrates our assumptions, their theoretical background, and consequential expectations. The core of our argument is that learning from policy success and policy failure is conditional on the institutional similarity between two countries. We argue that it is rather unlikely that countries look straight at the top-performers without taking institutional similarities into account that guarantee a certain degree of policy compatibility (Casey and Gold 2005). This implies that learning from success is rather conditional on the degree of institutional similarity of two countries. As argued above, we think that the common principles of financing welfare as well as expenditure patterns can be derived from the welfare regime distinction. In the case of ALMPs, it is plausible to use welfare regimes as a proxy for similarity of the welfare architecture (Vlandas 2013), since the implementation of active measures depends on a multitude of factors, for example benefit conditionality, underlying principle of (male or adult) breadwinner model, women's employment, self-responsibility, and overall generosity of the welfare state.

Our main expectations of the empirical relationships between learning from institutionally (dis)similar countries can be divided into four categories: First, we expect that there is a considerable degree of learning from successful policies between similar countries. Second, policy makers do not solely look on successful policies, but also take information from failing policies into account, which strengthens their beliefs which policies should be implemented to achieve a certain goal, and, in turn, which policies do not help in achieving a certain policy goal (Dunlop 2017; Volden 2016). This approach of taking information on positive and negative policy examples into account helps evaluating and comparing policy reforms and getting a more coherent picture. Third, successful

Table 14.1 Possible combinations of institutional similarity and policy success

	Previous policy success in observed country	
	Yes	No
High	**A: Learning from success of similar countries** *Observation:* Increase of ALMPs lead to higher employment rates in other countries within the same welfare regime *Consequence:* Successful policy moves of other countries within the same welfare regime will be adopted *Expectation:* very likely; strong positive relationship	**B: Learning from failure of similar countries** *Observation:* Decrease of ALMPs lead to lower employment rates in other countries within the same welfare regime *Consequence:* Policy makers learn from unsuccessful policy moves in a similar setting and move into the opposite direction *Expectation:* unlikely; slightly negative relationship
Low	**C: Learning from success of dissimilar countries** *Observation:* Increase of ALMPs lead to higher employment rates in other countries outside of welfare regime *Consequence:* Policy makers learn from successful policy moves in a dissimilar setting and adjust their own policy portfolio accordingly, despite institutional differences *Expectation:* likely; slightly positive relationship	**D: Learning from failure of dissimilar countries** *Observation:* Decrease of ALMPs lead to lower employment rates in other countries outside of welfare regime *Consequence:* Policy makers learn from unsuccessful policy moves in a dissimilar setting and move into the opposite direction *Expectation:* highly unlikely; strong negative relationship

Institutional similarity

policies diffuse across multiple jurisdictions and also dissimilar countries when they have been exceedingly successful. While this argument somewhat contradicts our main argument, we think that – at least to a lesser degree – this is true. However, we assume that this relationship is far less frequent and only applicable to simple policies that can be implemented despite institutional differences. Fourth and finally, there is the possibility that policy makers could learn from unsuccessful examples of other countries that are institutionally distinct. However, since we argued that the effect of negative learning is comparatively weak to that of positive learning, we expect this relationship to be rather empirically weak, too.

To sum up, we have outlined possible combinations of policy learning intersections and institutional similarity. Diffusion of ALMPs in the OECD countries is channeled by learning from successful examples and, to a lesser degree, by learning from unsuccessful examples. We expect countries participating in the EES to exhibit even stronger relationships of learning, as the EES offers a forum of exchange, institutionalised assessment and evidence-based recommendations.

In the following section, in a first step we show descriptive empirical evidence of converging ALMP expenditure. In a second step, we explain the operationalisation of the independent variables in general and the spatial lag variables operationalising learning, in particular.

Data and Methods

Dependent Variable

The focus of our argument lies within the spatial interdependencies of the adaption of active labour market policies. In contrast to passive LMPs, which grant income replacement in case of unemployment, ALMPs seek to (re)integrate unemployed and inactive persons into the labour market. We use the most commonly used measure of ALMPs, public expenditure on ALMPs per unemployed[3] as our key dependent variable. Because we are interested in the growing importance of ALMPs, we look at the changes in the variable. The data stems from the OECD.stat database and includes expenditure on several different types of ALMPs: public employment services and administration of activation programs, direct job creation, employment incentives targeted at employers, job-rotation and job-sharing measures, start-up incentives, supported employment and rehabilitation, and training.

In Table 14.2 we give a descriptive overview of ALMP spending in 22 countries from 1991 to 2013. There is considerable variance both in the level and the change of ALMP expenditure. It shows that Social Democratic welfare states exhibit the highest levels in ALMP spending, followed by Conservative and countries within the Liberal cluster. Southern European welfare states have, on average, the lowest spending on ALMPs. The Netherlands, where ALMP spending went drastically up around the turn of the millennium and which is the country with the highest average ALMP spending per unemployed, spends around ten times more than the United States and eighteen times more than Greece. Differences in levels are also large between welfare regimes: On average, the Social Democratic welfare states show highest increases in investment in ALMPs, followed by the Conservative welfare states. However, trajectories in ALMP spending follow different paths in the Social Democratic regime, for example Sweden having reduced its ALMP investment radically in the 1990s while at the same time other countries in the Social Democratic regime have further increased spending. Most of the Conservative countries are catching up to higher levels, whereas ALMP spending has decreased in most the Anglo-Saxon countries. In Southern European welfare states, ALMPs remain mostly marginal and spending overall decreases, with the exception of Italy. Countries within the EU participating in the EES show significantly higher levels of ALMP spending than countries outside of the EU and in general the increases in spending have been higher.

But have ALMPs proven effective in increasing labour market participation, that is, have they been successful? Notwithstanding the fact that changes in employment rates can be traced back to multiple factors, 77% of increases in ALMP expenditure coincide with subsequent increases in employment rates in our sample, while 58% of decreases correspond with lower employment rates in the following year. In times of economic recession like the one at the beginning of the 1990s or the most recent crisis around 2008, less increases in ALMP expenditures were implemented and yet where implemented, they proved less effective in enhancing employment. In general, ALMPs thus prove successful to a moderate extent in our measure in general, which conforms to more differentiated findings about the effectiveness of ALMP programs (cp. Kluve 2010; Martin and Grubb 2001; Martin 2014). The presence of success is an important precondition for the empirical proof of our argument on interdependent learning.

Table 14.2 ALMP expenditure in 22 OECD countries from 1991 to 2013

	Mean	*SD*	*Start*	*End*	*Δ*
Conservative					
Austria	9955.04	2735.25	6954.36	11,865.92	4911.56
Belgium	7841.85	1337.96	7903.73	7619.22	−284.50
France	8771.94	1293.22	6967.81	7091.91	124.10
Germany	10,101.07	1810.44	12,997.22	10,327.38	−2669.84
Luxembourg	15,274.15	5453.80	13,785.37	16,263.20	2477.83
Switzerland	12,225.41	2998.24	8740.55	11,614.69	2874.15
Total	10,694.91	3815.22	9558.17	10,797.06	1238.88
Liberal					
Australia	4299.15	1023.47	1847.15	3267.84	1420.69
Canada	3304.35	376.41	3263.41	2557.70	−705.71
Ireland	9170.33	4278.18	3403.02	5873.23	2470.21
Japan	4079.12	2006.36	8593.63	3117.94	−5475.69
New Zealand	2956.18	1659.97	1184.49	2663.94	1479.45
United Kingdom	3421.81	1353.87	2849.49	2004.22	−845.27
United States	2318.17	505.85	2165.16	1651.28	−513.88
Total	4221.30	2896.18	3329.48	3019.45	−310.03
Social democratic					
Denmark	21,778.08	8036.22	5398.84	20,920.51	15521.67
Finland	7411.85	1798.04	9100.56	9488.50	387.94
Netherlands	22,838.78	9874.79	11,515.08	9611.30	−1903.78
Norway	19,402.13	2809.82	13,616.94	15,974.09	2357.14
Sweden	15,813.02	6254.17	36,983.85	13,384.15	−23,599.70
Total	17,448.77	8500.24	15,323.06	13,875.71	−1447.35
Southern European					
Greece	1247.10	435.50	1426.85	559.65	−867.20
Italy	4122.71	1861.02	2062.51	2638.76	576.25
Portugal	4372.32	1771.73	5017.35	1545.56	−3471.79
Spain	3103.10	1736.57	2410.70	1475.20	−935.50
Total	3211.31	1974.80	2729.35	1554.79	−1174.56
Non-EES	7119.29	6087.21	6796.61	6707.42	−89.19
EES	10,682.69	8144.38	8585.12	8044.58	−540.53
Total	8809.44	7349.07	7644.91	7341.65	−303.27

Note Values represent spending of ALMP per unemployed, at constant prices (2010) and constant PPPs (2010), in US Dollars. Data is taken from The OECD Social Expenditure Database (SOCX). The subdivision of welfare regimes is based on Esping-Andersen (1990) and Ferrera (1996)

Independent Variables

Before we discuss the regression model, we present the independent variables which will be used to explain changes in our dependent variable. The first group of independent variables are the spatial lags and their specific operationalisations, which capture the learning nexuses we assumed in the previous section. We hereby follow the recommendations made by several authors, who recently argued that spatial lags should truly capture the underlying mechanism described by theory, instead of just be a plain interconnectivity matrix operationalising geographic proximity via adjacency (Gilardi 2016; Maggetti and Gilardi 2016; Neumayer and Plümper 2016). The second group of independent variables capture institutional, socio-economic, and political characteristics and are subsumed under control variables.

Spatial Lags

In quantitative studies, spatial interdependence and impacts of diffusion are most commonly modelled by means of a spatial lag, which is based on a theoretically defined proximity matrix indicating the interdependence of units (Franzese and Hays 2004, 2008). In order to examine whether learning by success explains changes of ALMP expenditure, we generate a set of spatial lag variables in three steps. Based on the theoretical assumptions outlined in the previous section and Table 14.1, we present the operationalisation of the spatial lag variables in Table 14.3.

In the first step, lagged values of the dependent variable y_{jt-1} of every other country within the sample are generated in a new variable. We assume that learning from success as well as policy failure is a rather fast process, as policy makers can monitor short-term labour market changes in other countries, and also because the need to find solutions to higher labour market participation is pressing (Swank 2011). In the second step, we look how differences within that variable are connected to changes in the outcome of a variable that captures the degree of success of a certain policy, in this case the ALMPs. That way, success is expressed via a dummy variable when another country has increased (or decreased) its expenditure on ALMPs and subsequently achieved an increase in labour market participation rate the following year. Consequently, we create another variable that captures policy

Table 14.3 Functional form and connectivity function of spatial lag variables

	Previous policy success in observed country	
	Yes	No
High (Institutional similarity)	**A: Learning from success of similar countries**	**B: Learning from failure of similar countries**
	Spatial lag: SUCCESS (REGIME)	*Spatial lag:* FAILURE (REGIME)
	Functional form: $\kappa w_i y_{j,t} = y_{j,t-1} \times$ Success$_{j,t-1} \times$ Regime$_{i,j}$	*Functional form:* $\kappa w_i y_{j,t} = y_{j,t-1} \times$ Failure$_{j,t-1} \times$ Others$_{i,j}$
	Connectivity: j = countries within same welfare regime as i	*Connectivity:* j = countries within same welfare regime as i
Low (Institutional similarity)	**C: Learning from success of dissimilar countries**	**D: Learning from failure of dissimilar countries**
	Spatial lag: SUCCESS (OTHERS)	*Spatial lag:* FAILURE (OTHERS)
	Functional form: $\kappa w_i y_{j,t} = y_{j,t-1} \times$ Success$_{j,t-1} \times$ Regime$_{i,j}$	*Functional form:* $\kappa w_i y_{j,t} = y_{j,t-1} \times$ Failure$_{j,t-1} \times$ Others$_{i,j}$
	Connectivity: j = countries outside welfare regime of i	*Connectivity:* j = countries outside welfare regime of i

failure when increases (or decreases) in ALMPs expenditure within the observed country resulted in a decrease in labour market participation rate the year after. In the third and final step, we multiply these variables with spatial weighting matrices that either include all countries within the same welfare regime of a country, or all countries outside the welfare regime, respectively. The connectivity matrix is coded '1' for membership in the same welfare regime (i.e. Social Democratic, Conservative, Liberal and Southern European regimes) based on Esping-Andersen (1990) and Ferrera (1996).[4] In this step we account for the assumption that spatial proximity (expressed as institutional similarity) of the examined units determines from whom policy makers preferably learn. As described in the theory section, the combination of both theoretical connectivity criteria (success/failure and welfare regime/others) results in four possible outcomes that are captured by our spatial lag variables.

To capture countries within our sample which participate in the EES, we include a dummy variable that captures EES membership, beginning in 1997, the year of establishment of the EES. This variable plays an important role in conditional diffusion of ALMP, as we point out later in the description of the specification of a multiplicative model.

Control Variables

To capture the functional pressures build by the overall performance of the economy and conditional growth and decline of employment, we include GDP per capita as well as unemployment rate into our models (Nelson 2013; Vlandas 2013). Additionally, we also include the employment rate, since it is an important indicator for overall employment and, indirectly, possible gender bias in labour market participation. We also include the degree of deindustrialization into our models. It is measured by an indicator introduced by Iversen and Cusack (2000), and is operationalised by the result of 100 minus the sum of manufacturing and agricultural employment as a percentage of the working age population. We expect the socio-economic control variables to explain an ample amount of differences in ALMP expenditure, because of the functional relationship of spending for ALMPs and economic performance.

In order to account for the anticipated effects of partisan government, we include a variable measuring the government position on a left right axis (Jahn 2011a; Jahn et al. 2017). Contrary to a variable simply

measuring the strength of a particular party in government, this measure is time-variant, sensitive to political systems of countries, and portrays changes of ideology far more accurate. Additionally, we also include the distance of the veto player into our analysis to model possible domestic institutional constraints (Jahn 2011b; Tsebelis 2002). The variable captures the policy distance of the agenda and the ideologically furthest (yet relevant) veto player for policy bargaining. Since the literature is divided on the impact of partisanship on preferences of ALMP spending, we expect no incisive influence of ideology on ALMP spending. Likewise, we expect little inhibiting impact from veto players on ALMP spending.

Regression Model

We analyse changes in ALMP expenditure in 22 OECD countries[5] from 1991 to 2013 with an error correction model (Beck and Katz 2011; DeBoef and Keele 2008; Podestà 2006). The estimation of the coefficients is conducted via Prais-Winsten regressions with panel specific autocorrelation structure and panel corrected standard errors. This ensures that the errors of the coefficients will be unbiased and unaffected by panel specific characteristics. The structure of a general form of an additive error correction model is as follows:

$$\Delta y_{i,t} = \alpha_0 + \alpha_1 y_{i,t-1} + \sum \beta_k \Delta X_{i,t}^k + \sum \beta_l X_{i,t-1}^l + \varepsilon_{i,t} \qquad (14.1)$$

Where disturbances in the equilibrium of the dependent variable $\Delta y_{i,t}$ are estimated by the constant α_0, a lagged dependent variable $\alpha_1 y_{i,t-1}$ (the so-called long-run multiplier), two vectors X representing differences as well as lagged levels of independent variables of unit i, and white noise represented by $e_{i,t}$.

We modify Eq. (14.1) in four essential respects and transform the model into a multiplicative spatial lag model. Firstly, we include a structural break term β_e that subsumes all countries participating in the EES after the year 1997. Secondly, row-standardised spatial lag variables representing different weighting matrices w described in the previous section will be added to the equation. Thirdly, two interaction terms β_m and β_n that are the arithmetic product of the structural break term and the spatial lag variables will be added to investigate the different forms of learning inside and outside of the EES, respectively. Fourthly, we include unit

fixed effects β_d to account for unobserved panel heterogeneity and unaccounted panel specific dynamics. These four additional specifications result in the following Eq. (14.2):

$$\Delta\text{ALMP}_{i,t} = \alpha_0 + \alpha_1\text{ALMP}_{i,t-1} + \sum \beta_k \Delta X_{i,t}^k + \sum \beta_l X_{i,t-1}^l$$
$$+ \beta_e\text{EES} + \beta_m\text{EES} \times \sum_j \left[\frac{W_{ijt}}{\sum_j W_{ijt}} \Delta\text{ALMP}_{j,t} \right]$$
$$+ \beta_n\text{EES} \times \sum_j \left[\frac{W_{ijt}}{\sum_j W_{ijt}} \Delta\text{ALMP}_{j,t-1} \right] \qquad (14.2)$$
$$+ \sum_{d=1}^{n-1} \beta_d\text{Panel dummies} + \varepsilon_{i,t}$$

Where i is a country at a specific time t which is influenced by the policy reforms of another country j that has conducted (un)successful reforms in the past. The two vectors capture changes and differences in economic and domestic politics variables. The spatial lag variables have four different functional forms that represent the assumed nexuses of learning, which we formulated in the theory section and that will be tested in our models.

RESULTS

To test our theoretical propositions, we estimate one base model and eight models with different spatial lags, which are all presented in Table 14.4. In each of the models the same set of exogenous control variables is included to test our assumptions on the effects of diffusion of ALMP while maintaining a constant number of control parameters. The root mean squared error (RMSE), which represents the standard deviation of the differences between predicted values by the model and empirical values, has considerably low values.[6] Regarding the estimated coefficients as well as their standard errors, our results remain robust against alternative model specifications.

The first model serves as our base model and solely estimates the impact of domestic political, economic, and institutional variables on ALMP expenditure. On average, a third of the overall disturbance in spending equilibrium gets corrected in the following year, as can be seen

Table 14.4 Diffusion of ALMP expenditure in 22 OECD countries from 1991 to 2013

Dependent variable: ΔALMP per unemployed (in US-Dollars (2010), PPP); mean $= -101.56$, SD $= 2312.67$

	Base model	A Success (regime)		B Failure (regime)		C Success (others)		D Failure (others)	
		Model A1	Model A2	Model B1	Model B2	Model C1	Model C2	Model D1	Model D2
ALMP per unemployed$_{t-1}$	−0.34*** (0.05)	−0.34*** (0.05)	−0.33*** (0.04)	−0.35*** (0.05)	−0.34*** (0.05)	−0.34*** (0.05)	−0.34*** (0.05)	−0.34*** (0.05)	−0.33*** (0.05)
Economic controls									
ΔUnemp. rate in %	−859.02*** (122.25)	−813.78*** (120.64)	−786.36*** (118.01)	−775.84*** (117.09)	−776.47*** (117.00)	−827.22*** (124.04)	−817.82*** (123.51)	−828.85*** (122.08)	−807.73*** (120.63)
Unemp. rate in %$_{t-1}$	−32.11 (57.88)	−30.47 (59.15)	−36.69 (57.32)	−60.73 (56.23)	−57.27 (56.66)	−16.95 (58.83)	−13.10 (58.73)	−35.00 (57.36)	−32.74 (57.21)
ΔCiv. emp. ratio	−145.03 (130.90)	−171.49 (124.54)	−133.91 (124.61)	−188.67 (122.76)	−190.07 (123.15)	−164.12 (128.37)	−164.65 (128.06)	−192.73 (129.97)	−201.41 (128.71)
Civ. emp. ratio$_{t-1}$	59.72 (42.09)	59.53 (42.53)	67.50 (42.68)	51.71 (40.13)	46.79 (39.99)	57.08 (40.80)	60.52 (40.97)	61.31 (40.56)	62.10 (40.05)
ΔGDP per capita	124.26** (40.47)	117.98** (40.63)	116.71** (40.27)	112.12** (39.03)	112.43** (39.08)	125.31* (41.00)	123.23** (41.28)	136.48** (42.48)	139.61** (42.47)
GDP per capita$_{t-1}$	1.44 (15.55)	0.37 (15.89)	2.44 (16.42)	0.28 (13.68)	1.61 (13.48)	5.18 (14.61)	3.60 (14.45)	4.17 (14.36)	5.58 (14.03)
ΔDebt (% of GDP)	8.60 (13.00)	8.86 (12.43)	11.20 (11.91)	8.19 (11.92)	7.67 (11.80)	11.21 (12.40)	10.23 (12.38)	10.48 (12.39)	9.73 (12.29)
Debt (% of GDP)$_{t-1}$	−9.62 (5.86)	−8.22 (6.28)	−6.25 (5.80)	−7.18 (5.76)	−7.31 (5.47)	−6.67 (6.14)	−6.57 (6.04)	−6.29 (5.95)	−6.01 (5.65)
Domestic politics parameters									
ΔGovernment (LR)	−6.03 (25.28)	−1.21 (24.60)	−4.95 (24.19)	−10.26 (23.77)	−12.35 (23.75)	−5.90 (25.25)	−6.98 (25.27)	−7.06 (25.09)	−4.76 (25.15)

(continued)

Table 14.4 (continued)

Dependent variable: ΔALMP per unemployed (in US-Dollars (2010), PPP); mean = −101.56, SD = 2312.67

	Base model	A Success (regime)		B Failure (regime)		C Success (others)		D Failure (others)	
		Model A1	Model A2	Model B1	Model B2	Model C1	Model C2	Model D1	Model D2
Government	−8.36	−7.16	−4.13	−12.76	−11.40	−8.07	−7.15	−6.77	−5.78
$(LR)_{t-1}$	(22.40)	(22.07)	(22.08)	(20.93)	(20.53)	(22.81)	(22.62)	(22.62)	(22.32)
ΔVeto player	2.00	−1.56	−2.69	−0.39	−1.67	−1.78	−1.03	−1.84	−2.30
(LR)	(13.94)	(14.21)	(14.26)	(13.64)	(13.45)	(13.86)	(13.90)	(13.65)	(13.75)
Veto player	3.72	−1.74	−3.83	2.03	−1.74	−4.76	−5.01	−0.05	−3.53
$(LR)_{t-1}$	(13.15)	(13.34)	(13.66)	(12.68)	(12.41)	(13.09)	(12.87)	(13.41)	(13.29)
Diffusion parameters									
EES	1138.00***	1012.29**	264.71	1160.28***	1302.72***	949.48**	714.09	1180.16***	1530.37***
	(320.50)	(315.44)	(344.68)	(270.06)	(282.47)	(311.12)	(408.99)	(292.08)	(347.16)
ΔSpatial lag		0.29*		−0.58***		0.07		−0.11**	
		(0.13)		(0.15)		(0.04)		(0.04)	
Spatial lag$_{t-1}$		0.32*		−0.54**		0.12**		−0.16**	
		(0.16)		(0.20)		(0.04)		(0.05)	
Interaction terms									
ΔSpatial lag (non-EES)			−0.05		−0.48		0.06		−0.07
			(0.22)		(0.31)		(0.04)		(0.05)
Spatial lag (non−EES)			−0.21		−0.28		0.08		−0.03
			(0.23)		(0.38)		(0.05)		(0.07)
ΔSpatial lag (EES)			0.50***		−0.64***		0.08		−0.15**
			(0.14)		(0.15)		(0.05)		(0.05)
Spatial lag (EES)$_{t-1}$			0.70***		−0.68**		0.16*		−0.29***
			(0.19)		(0.21)		(0.06)		(0.08)

(continued)

Table 14.4 (continued)

Dependent variable: ΔALMP per unemployed (in US-Dollars (2010), PPP); mean = −101.56, SD = 2312.67

	Base model	A Success (regime)		B Failure (regime)		C Success (others)		D Failure (others)	
		Model A1	Model A2	Model B1	Model B2	Model C1	Model C2	Model D1	Model D2
Constant	−2422.52	−2490.70	−3050.42	−1373.67	−1285.68	−3213.76	−3158.47	−2600.37	−3092.53
	(2511.91)	(2590.39)	(2594.67)	(2587.55)	(2592.81)	(2578.92)	(2594.57)	(2543.15)	(2576.67)
N	506	506	506	506	506	506	506	506	506
No. of countries	22	22	22	22	22	22	22	22	22
Panel length	23	23	23	23	23	23	23	23	23
Adj. R^2	0.409	0.417	0.426	0.429	0.429	0.414	0.414	0.413	0.417
RMSE	1649.4	1643.8	1624.5	1616.9	1618.4	1646.4	1648.2	1646.1	1643.0
Avg. rho	0.266	0.267	0.279	0.253	0.244	0.268	0.264	0.265	0.251

Note Prais-Winsten regression estimates with panel-specific autocorrelation structure and panel-corrected standard errors (in parentheses). Unit fixed effects included, but not shown. The operationalization of the spatial lag variables is corresponding to the header of the table. The parameters with the EES/non-EES note in parentheses are interaction terms with $N_{(EES)} = 240$, and $N_{(non\text{-}EES)} = 266$. $^{*}p < 0.05$, $^{**}p < 0.01$, $^{***}p < 0.001$

with the help of the parameter measuring previous levels of the dependent variable. The results show that, within the base model, differences in ALMP spending are mainly influenced by variables representing short-term economic constraints, namely changes in unemployment rates and economic growth, as well as participation in the EES. With increasing unemployment, expenditure for ALMPs decreases, presumably because spending on income compensating PLMP benefits increases. When GDP is growing, it opens up opportunities for policy reforms and expanding activating measures. Overall, changes in ALMP spending in countries participating in the EES are significantly higher. We will further explain this relationship between changes in ALMP expenditure and the EES in the following models that incorporate spatial lags for success and failure of policy developments.

Factors representing domestic politics bear little to no explanatory potential for ALMP expenditure change. Left governments are associated with a positive change in ALMP spending which is in line with conventional partisan theory of welfare state development. However, partisan effects are insignificant in every model and therefore we cannot make substantial inference on the presence of a non-random effect of parties from these findings. Also, institutional barriers to policy change, which in our case are represented by the ideological distance of the government to its veto players, have no significant effect. These findings of no significant influence of both government ideology and policy distance to veto players are in line with research on ideological influence on ALMPs in particular and active social policies in more general, since the ideological fight over welfare policies is primarily focused on compensating benefits (Bonoli 2013; cp. also Beramendi et al. 2015).

In the remaining models, we test our hypotheses on the effects of interdependent learning from success and failure with the intermediate conditional role of welfare regimes. Therefore, each model contains a set consisting of a short-term and a long-term row-standardised spatial lag variable considering successful or unsuccessful policy moves of either all countries within the same welfare regime or outside of the regime in the sample. Figure 14.1 shows the effect of the spatial lags in the short and long-run on predicted values of ALMP expenditure.

Models A1 and A2 incorporate the spatial lags operationalising policy success within welfare regimes and show whether governments learn from

(a) Learning from success (regime)

(b) Learning from failure (regime)

(c) Learning from success (others)

(d) Learning from failure (others)
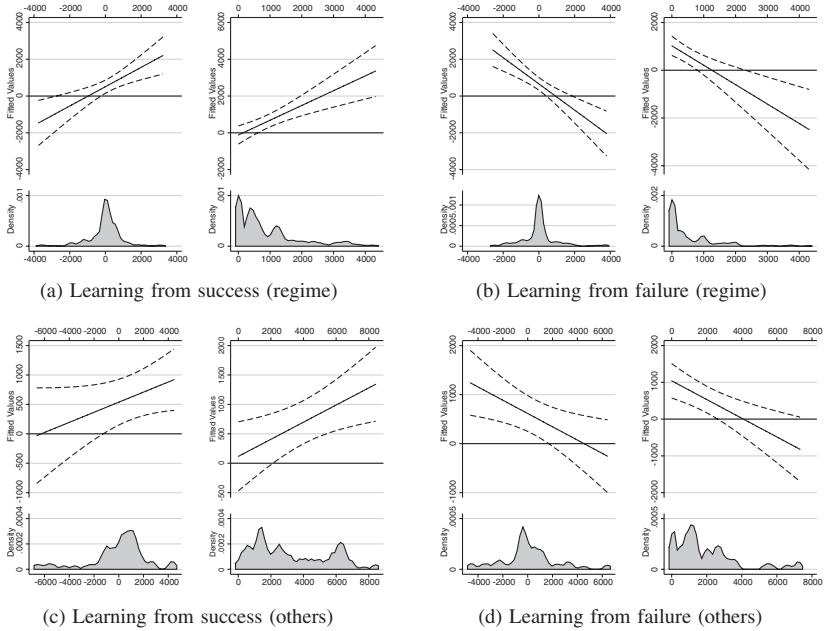
Fig. 14.1 Fitted values of changes in ALMP expenditure per unemployed over range of spatial lag variables (*Note* In each cell, plots on the left represent first differences (short-run effects) of the spatial lag variable, while plots on the right represent levels (long-run effects). Estimates are taken from the multiplicative terms interacted with the EES. Kernel density plots on the bottom of each graph show the empirical distribution of the spatial lag variable, respectively)

the success of ALMP policies in other welfare regimes and, as a consequence, adjust their own policies accordingly. The models show that there is a positive effect of spatial influence in the short as well as the long-run on ALMP expenditure. When interacting the spatial lag variables with the EES country-years, we can see that the overall positive influence of diffusion is solely driven by countries participating in the EES, because these coefficients are exclusively significant. This verifies our expectation that policy makers learn from the success of others, particularly when these other policy makers have implemented their policies in a similar institutional framework, which we operationalised with welfare regimes.

However, when there is no learning framework present, such as the EES, the results do not show a significant effect on policy changes.

When looking at the models B1 and B2 that are incorporating the variables for policy failure within welfare regimes, the statistical impact of learning is overall negative. This shows that not only are policy makers learning from positive successful examples, but also from negative examples that have shown ineffective outcomes. Again, when modelled in a multiplicative interaction term, we can see that this relationship is driven by EES membership, clearly suggesting that an institutionalised learning framework like the EES not only helps in evaluating effective policies, but also identifying labour market reforms that result in decreased employment ratios.

Models C1 and C2 contain spatial lags that measure successful policy moves outside the welfare regime. Both models show that policy success of others has a significantly positive influence on changes in the equilibrium of ALMP expenditure, however only in the long-run. Furthermore, this effect is restricted to countries participating in the EES. The fact that we can observe this effect exclusively in EES member countries and in the long-run shows that the EES framework helps in overcoming institutional barriers and that policies can 'travel' outside of welfare regimes, when the time frame is large enough. It clearly shows that ALMPs are becoming increasingly important in the EU and that, despite institutional barriers that potentially decrease the probability of policy learning, ALMPs are becoming more and more present in policy portfolios of EU membership countries.

Policy failure has a significantly negative effect on changes in ALMP expenditure in the short and long-run, as models D1 and D2 show. Again, as in previous models, this effect is only present in countries participating in the EES. Again, this shows that the EES is essential in evaluating success and failure of policy reform. This shows that in the nexus of policy reforms both increasing and decreasing of ALMP expenditure and its outcomes are taken into account This finding is also backed by the fact that within the models of policy failure the constitutive term for EES membership is still positive and significant and the spatial lags exert a negative influence on the dependent variable, indicating that both learning from success and failure take place in the regression models.

Conclusions

The main finding of this chapter is that diffusion of active labour market policies via learning is indeed evident in modern welfare states since the beginning of the 1990s. Policy makers learn from the success or failure of ALMPs in increasing labour market participation rates in other countries. However, learning is conditional to the institutional context. First, policy makers are more likely to learn from the labour market policies (LMPs) of their peer countries within the same welfare regime. Referring to the experience of other countries with similar welfare architecture bears advantages which directly affect the payoffs of a policy change. Selective learning makes it easier to estimate the consequences of a policy within the specific institutional and even cultural setting. Given the similar institutional nexus of labour market and social policies as well as the similar levels of ALMP spending within welfare regimes, monitoring the shifts and their effects in peer countries offers policy makers some certainty about the consequences of changes in LMP effects at a similar starting level. Our findings strengthen both the view of the role of interdependence and also path dependency of welfare policy change resulting from the institutional context of the welfare regimes (Pierson 2001). Furthermore, a simple emulation of foreign concepts seems unlikely in this case, since there are subtleties in the institutional arrangements of different countries even if they feature the same welfare regime (Casey and Gold 2005).

Second, and even more unequivocally, our results give further evidence on the importance of international co-ordination and intergovernmental organisations in policy learning. The EES powerfully fortifies diffusion of successful ALMP policies in that it moderates learning, regardless of whether we observe change in spending levels or the levels as such. The EES framework may, first, foster exchange on experiences, solutions and best practices and thus increase the information which policymakers can access to in search for solutions in their own country. Second, the coordinated action also promotes social norms and thus promotes social learning and – eventually – paradigmatic change of social policy.

Regarding the different operationalisations and functional forms of our spatial lag variables that accounted for institutional framework as well as previously (un)successful policies, our analysis demonstrated that it is

important to account for the underlying theoretical concept within the construction of the spatial lag variables (Gilardi 2016; Maggetti and Gilardi 2016; Neumayer and Plümper 2016). As we have demonstrated, a sophisticated operationalisation of the spatial connectivity matrix can uncover the complex dynamics of learning from successful policies of other countries connected via a supranational institution like the EES and within a similar welfare architecture.

While the results give rather strong evidence on the diffusion dynamics of ALMPs in the OECD countries, our use of ALMP expenditure as the dependent variable bears some shortcomings. Since activation policies at labour markets comprise of very different tools (Bonoli 2013; Martin 2014), a more detailed look at which tools actually diffuse and which of the ALMPs are more prone to learning dynamics would be desirable. Different tools would also require different measures of success. However, we are still largely lacking such detailed data over time and across countries on ALMPs (Clasenet et al. 2016). Case studies would complement our macro-comparative results and, moreover, also deepen our understanding on how exactly policy-makers learn, how they evaluate success and how and when they update their prior beliefs.

In general, the results of this study attest to the importance of the institutional framework for interdependent policy making and thus further endorse the plea for explicitly considering the relevance of time-invariant or slowly changing institutional contextual factors in the study of policy diffusion (cp. Neumayer and Plümper 2012; Wasserfallen 2014). Assumptions on the mechanism and intervening factors on learning should thereby be modelled in empirical analyses of spatial dependency (cp. Gilardi 2016; Neumayer and Plümper 2016). Regarding the developments within the time-series analysed in this study, the results emphasize the continuing relevance of the welfare regime types. However, regarding active social policies, we can see that an institutionalised policy learning framework such as the EES can push boundaries of policy learning solely restricted on institutionally similar countries, especially in the long-run. Although we do not consider political outcomes of labour market policy reforms in this analysis (cp. Gilardi 2010), the significant effect of policy learning from successful policy outcomes of peers featuring similar institutional and cultural settings may also imply that

policy makers monitor and anticipate the political acceptance of similar moves and their consequences in similar welfare states. Therefore, outcomes in both policy and politics should be accounted for when analysing diffusion by learning. Finally, our findings point out the potential of international tools like the EES in intensifying learning from best practices. The direct and conditional effects of such learning networks should be included in studies of policy diffusion to accurately model the indirect influence of other policy jurisdictions on reforms in a country. As the previous chapters in this edited volume have shown, case studies of the spread of specific policies deepen our understanding of the dynamics of learning in an institutionally constrained environment to complete the overall picture.

Notes

1. This is also true for further mechanisms of policy diffusion (see, for example, Neumayer and Plümper 2012).
2. The OECD has also actively promoted ALMPs, but the impact of its recommendations is less evident than that of the EU (Armingeon 2007). Due to our case selection of solely OECD member states, we cannot account for OECD effects, though.
3. The dependent variable is measured in constant 2010 US$, with correction for purchasing power parity.
4. Japan and Switzerland are ambiguous in their attachment to one of the welfare regimes. Following the classification by Huber and Stephens (2001) and Armingeon (2007), we assign Japan to the Anglo-Saxon and Switzerland to the Continental European regime.
5. The sample consists of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Japan, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, and United States.
6. Interpreting the ratio of explained variance in an error correction model with fixed effects is rather unhelpful, since one can easily exchange the dependent variable with levels instead of differences and every parameter except the lagged dependent variable change, while getting a much higher ratio of explained variance. However, the RMSE is robust to parameter exchange in the dependent variable, and therefore a more reliable parameter for judging on model fit.

APPENDIX

Table 14.5 Descriptive statistics for dependent and independent variables, 1991–2013

	Mean	*SD*	*Min*	*Max*
Dependent variable				
ΔALMP per unemployed	−101.56	2312.67	−23,549.59	11,668.21
ALMP per unemployed$_{t-1}$	8911.00	7603.50	457.38	48,356.58
Economic controls				
ΔUnemp. rate in %	0.13	1.15	−3.39	6.60
Unemp. rate in %$_{t-1}$	7.29	3.74	0.58	24.79
ΔCiv. emp. ratio	0.19	1.26	−5.78	4.67
Civ. emp. ratio$_{t-1}$	69.17	9.53	45.24	106.24
ΔGDP per capita	−0.02	2.18	−8.21	12.97
GDP per capita$_{t-1}$	117.83	32.44	66.36	252.72
ΔDebt (% of GDP)	1.65	6.41	−19.38	56.16
Debt (% of GDP)$_t$1	69.48	34.84	4.64	215.36
Domestic politics parameters				
ΔGovernment (LR)	0.02	3.11	−18.80	18.20
Government (LR)$_{t-1}$	2.14	5.60	−12.79	21.84
ΔVeto player (LR)	0.14	4.16	−21.93	23.79
Veto player (LR)$_{t-1}$	7.47	7.92	0.00	36.82
Spatial lags				
ΔSuccess (regime)	−34.74	913.71	−3572.88	3072.64
Success (regime)$_{t-1}$	847.48	924.60	0.00	4148.83
ΔFailure (regime)	27.76	799.01	−2714.86	3609.01
Failure (regime)$_{t-1}$	462.60	669.48	0.00	4104.90
ΔSuccess (others)	−121.34	2148.19	−6090.88	4255.57
Success (others)$_{t-1}$	3023.71	2187.46	0.00	8618.62
ΔFailure (others)	107.81	2030.29	−5184.62	6906.42
Failure (others)$_{t-1}$	1699.25	1635.56	0.00	7756.48

Note Values represent spending of ALMP per unemployed, at constant prices (2010) and constant PPPs (2010), in US Dollars. Data on dependent variable and economic controls is taken from OECD.stats. Domestic politics parameters are taken from PIP database (Jahn et al. 2017)

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