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The International Transfer and Diffusion of Policy and Management Innovations: Some Characteristics of a New Order in the Making

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I. INTRODUCTION

Modern societies are going global and, in this process, are redefining the boundaries between the domestic and the external. In a "shrinking world," policy lessons are increasingly drawn on a cross-national basis, rather than on specific national experience, and are less and less constrained by cultural and geopolitical boundaries. The know-how of other nations is increasingly conceived as essential and relevant for the economic competitiveness of nations and for the welfare of their citizens. Epistemic communities, international organizations, and policy entrepreneurs thus transfer this "know-how" to the domestic economic, political, and social settings that are often radically different from the original. The benefits, costs, and implications of these policy transfers are the subject of this book. Specialists in public policy, public administration, and public management have joined together to explore the role of policy transfers in the promotion of more reflective and efficient public policies across the world. In doing so, they aim to advance our knowledge on the new conditions of management, administration, and policy in a global world.

What we are trying to capture in this volume is only partially new. Globalization of knowledge and international policy transfers were discussed

in early political science literature. Take, for example, Barker's classic study of state expansion in Europe between 1660 and 1930. Barker's (1944, p. 93) major attention was concentrated on the particular history of different countries, but he was well aware of their interdependence and existence as a "social community":

When we consider the history of the Modern State... we cannot but recognize the debt which all States owe to one another. Each country has developed according to its own genius; and each has produced its own fruit. But each has produced some institution, or some method of public service, which has served as an example to others; and each, in turn, has borrowed from each. There has been a rivalry of methods, but it has not been unfriendly: one country has studied, adopted, or tried to improve the methods of another; and all have combined, however unconsciously, to promote the growth of a common European standard of administration and public service.

So policy transfers are an old phenomenon; yet, what makes our era unique is the downsizing of geographical distance, in general, and national borders, in particular—hence the increase in the quantity and, arguably, the quality of these policy transfers. We are more exposed, and therefore arguably may learn more and might be able to go through the learning process with a somewhat better grip on the difficulties of innovating on others' experience. The issues at stake are increasingly documented and reflected in the literature of the social sciences at large and of organizational studies, law, politics, sociology, social psychology, and economics, in particular (Vigoda, 2002, 2003a). In all these disciplines, the issues discussed in this book are subject to extensive scholarly debate. At one side stand proponents of globalization, who advocate cross-national policy learning (and convergence) and perceive it as a great promise for the advancement of management techniques, administrative controls, and policy effectiveness. At the other side are globalization critics, who identify emulation, manipulation, and coercion as the major forces behind the changes that are widely evident across countries and policy spheres.

This debate, then, touches first on the meaning and origins of policy learning, on the necessary and sufficient conditions that propel it, on the autonomy and motives of the agents that promote it, and on the institutional and other constraints on the implementation of imported ideas in different contexts. At a second level, we face the question of the effects of transfer, and here we explore the suggestion that the dramatic expansion of policy transfers documented in this volume and in numerous others shapes a "new public policy." Perhaps the clearest statement to that effect was made by Majone (1996), who suggested that far-reaching ideological, political, and economic changes begun in the late 1970s brought about "*the transformations of the*

process and substance of policy making" (p. 611, our italics). We hope that this volume, which looks at public policy beyond the nation-state (although not without it), will add new insights to future work that tries to characterize this new public policy.

We start this chapter by setting out the common conceptual grounds for a discussion of the nature of cross-national and cross-cultural interaction with the help of two paradigms: policy transfer and policy diffusion. We then move in the second part to a presentation of some of the major insights and issues that the authors of this book offer.

II. PUBLIC AND MANAGEMENT IN A GLOBAL WORLD: DIFFUSION AND POLICY TRANSFER

Our point of departure is the supposition that cross-cultural and cross-national policy transfers and diffusion are reshaping the way public policy is formulated, expressed, and implemented.¹ Although these processes are not new, they seem to be on the increase to the extent that they remold the ways public policy is shaped, consolidated, and implemented. Social scientists often rely on two different paradigms to capture this process of change: the policy transfer and the policy diffusion paradigms (see Table 1). Although the first is prevalent among political scientists and is methodologically oriented toward case analysis, the second is prevalent among sociologists and enjoys a rich tradition of quantitative research. We find both paradigms fruitful and, to some extent, complementary, and therefore we embark on a discussion that aims to clarify some of their strengths and weakness. Let us start with definitions. Policy transfers are concerned with "the process by which knowledge about how policies, administrative arrangements, institutions, and ideas in one political setting (past or present) is used in the development of policies, administrative arrangements, institutions, and ideas in another political setting" (Dolowitz and Marsh, 2000, p. 5). Diffusion is commonly defined as "the process by which an innovation is communicated through certain channels over time among members of social system. It is a special type of communication in that the messages are concerned with new ideas" (Rogers, 1995, p. 5). What differentiates these definitions is mainly the sociological emphasis of the diffusion paradigm. All other differences, including the methodological orientation, are marginal by comparison and there is no reason to believe that these two research traditions *cannot* be brought together. In fact, it might well be that in the future, the major differences as to central issues, such as their rationality and autonomy of actors, will be within each of these paradigms rather than between them.

Table 1 Policy Transfer and Diffusion Perspectives on Policy Change

Paradigm	Policy transfer	Diffusion
Definition	"Policy transfer, emulation, and lesson drawing all refer to the process by which knowledge about how policies, administrative arrangements, institutions, and ideas in one political setting (past or present) is used in the development of policies, administrative arrangements, institutions and ideas in another political setting" (Dolowitz and Marsh, 2000, p. 5)	"The process by which an innovation is communicated through certain channels over time among members of social system. It is a special type of communication in that the messages are concerned with new ideas" (Rogers, 1995, p. 5)
Dominance	Among political scientists and analysis of public policy and public management	Among sociologists, but increasingly utilized by political scientists
Methodological orientation	Case studies and comparative analysis	Quantitative
Major terms and concepts	Policy learning, lesson drawing, and Bayesian learning	Contagion, bandwagoning, herding, and isomorphism
Major assumption	The process of change is political in the sense that policy learning is filtered by political institutions.	The process of change occurs in social networks
Mechanisms of policy change	Varies between coercive and voluntary (e.g., emulation, elite network, harmonization through international regime, and penetration by external actors and interests) (Bennett, 1991)	Isomorphism, culture, international norms, and best practices
Outcomes	Bias towards convergence	Strong bias towards convergence
Focus in regard to the policy process	Comprehensive: focus on policy goals, content, instruments, outcome, and styles	Selective: focus on policy goals and content

The paradigm of diffusion, especially formulations grounded in sociological institutionalism, has three advantages. First, sociology has an impressive tradition of diffusion analysis at the national (Rogers, 1995) and international levels (Meyer et al., 1997), which does not have any equivalence in political science and the policy transfer literature.² Second, the emphasis on transfer among "members of social system" in the diffusion literature seems to allow us to look at the process outside the hierarchies of the top-down and bottom-up approaches to change. It figures clearly in the literature on policy networks (Rhodes and Marsh, 1992; van Warden, 1992) and on governance (Rhodes, 1997), which emphasizes the fragmentation of political structures and the volatility of power. It connects naturally to the notions of epistemic communities (Haas, 1992), webs of influence (Braithwaite and Drahos, 2000), and transnational policy communities (Stone, 2003) as "channels of policy transfer" across nations.

Finally, we see some value in the "contagious" aspect of the diffusion perspective (i.e., in the willingness of scholars within this research tradition to look beyond the structural aspects of the process to its internal dynamics).³ Contagious-focused research examines how prior adoption of a trait, policy, institution, or practice in a population alters the probability of adoption for any remaining nonadopters (Strang, 1991, p. 325). Diffusion scholars often treat the process as organic and evoke the idea of contagion as major source of change. Causality is not external but internal to the population in question. Unlike structuralists, who look at "independent observations" and treat interdependency as a problem of control (the Galton problem), diffusion studies perceive the evidence of interdependence as a major theoretical focus of study. This distinction between structural and contagious causes has notable implications for the way we conceive causality in the social and political system. It may suggest that variations and similarities are explained not by structural factors, such as the configuration of actors' interests and relative power, but by the solutions and models that are shaped by former events.

Hence, in Australia, we have laws criminalizing rape not because of any titanic struggle between a women's movement (or some other actor) which demanded rape laws and others who resisted them; rather, we acquired them without debate from British criminal law. Having occurred, it is now nearly impossible for any actors with any amount of political power to argue for a way of dealing with rape that disposes of the criminal-law model in favor of a radically different strategy. (Braithwaite and Drahos, 2000, p. 582)

Although the "policy transfer" approach is open to the idea that "emulation" or "copying" might be a distinct and independent source of

change, there is no effort to look at it as a contagious, dynamic process of change. The policy transfer literature is essentially structuralist in its causal imagination. As against these two advantages of the diffusion perspective, it is often criticized as being politically neutral or uninformed. As diffusion analysis often focuses on broad historical, spatial, and socioeconomic causes for a pattern of policy adoption, it neglects the political dynamics involved (Stone, 2003, p. 4; Peters, 1997, p. 76; Jacoby, 2000, p. 8). Here the policy transfer literature that distinguishes between coercive and voluntary mechanisms of transfer seems to have the upper hand. Power in the "sociological-institutional" diffusion perspective is confined almost solely to the power of ideas, norms, and symbols. Yet these "ideational" forms of power are hardly coercive and interest driven, and frequently are not the major focus of diffusion analysts.

Policy analysis is to be enriched from both perspectives, and it is possible to demonstrate how these two approaches may inform each other. This is evident in the work of Stone, who suggests that global policy networks make a major impact on the way policy is shaped on the global as well as national level. She distinguishes three models that combine the assertions about the power of ideas and knowledge with network approach: the epistemic community approach, the embedded knowledge networks framework, and the transnational discourse community approach (Stone, 2003). She then places her "knowledge actors" in a framework of analysis that combines the policy network approach and the policy transfer literature, and, in doing so, opens a new frontier for policy analysts. The move to the global level raises repeatedly the question about the centrality of the state vis-à-vis international organizations, nongovernmental organizations, corporations, and cities in these networks of power. As will be discussed shortly, our contributors diverge on this point as do the two paradigms of diffusion and policy transfer. In general, policy transfer seems to reflect the dominance of the state in political science, whereas the diffusion perspective reflects the notion that states are recipients of a normative order that is created outside them, and they are therefore secondary in importance to international norms.

One major issue in the policy transfer and diffusion literature touches on the degrees and types of rationality that are involved in the process of change. Some versions of the policy transfer literature, such as lesson drawing (Rose, 1993) and social learning (Hall, 1993), seem to perceive the process of transfer as a learning process. In this literature, the emphasis is on cognition and the redefinition of interests on the basis of new knowledge that affects the fundamental beliefs and ideas behind the policy. In some way related, although more demanding, are models of Bayesian learning (Meseguer, 2003). By contrast, sociological interpretations of the process of change emphasize a group's norms rather than individual rationality. See, for

example, Finnemore's (1996, pp. 2-3) argument about the notion of "state interests":

State interests are defined in the context of internationally held norms and understandings about what is good and appropriate. That normative context also changes over time, and as internationally held norms and values change, they create coordinated shifts in state interests and behavior across the system. . . . states' redefinitions of interest are often not the result of external threats or demands by domestic groups. Rather they are shaped by internally shared norms and values that structure and give meaning to international political life.

This emphasis on the normative side of supposedly rational action suggests that emulation may be of some importance as a mechanism of policy change. It also necessitates a distinction between "learning" and "emulation" as major features of the process of policy transfer. The distinction between the two may be based on the scope of information involved in the decision-making process. Policy learning is defined as the redefinition of one's interest and behavior on the basis of newly acquired knowledge, after watching the actions of others and the outcomes of these actions. Policy emulation, by contrast, is the redefinition of one's interest and behavior on the basis of newly acquired knowledge and after watching only the actions of others (Jordana and Levi-Faur, 2003). We distinguish between the learners and the emulators by the extent to which adaptation to new behavior involves information not only about the actions of others but also about the consequences of those actions. The crucial difference is that the learner processes a greater amount of information than the emulator and is therefore less dependent and more autonomous.

Finally, the outcomes of policy transfers and diffusion are often presented through the expectation of convergence. Convergence theories postulate that growing international integration will have direct (e.g., a change in the domestic distribution of political power) and indirect (e.g., influence on government policy) implications for domestic policy that will lead to similar policies and institutions (Busch, this volume). This is usually contrasted with divergent theories, which suggest that the growing international integration will not deflect states from their historically rooted trajectories, so that not convergence, but constant and perhaps even increasing variations, will be the result for policies and institutions (Busch, this volume). The expectation of convergence in diffusion theory reflects a scholarly bias that is not necessarily implied and embedded in the theories of transfer and diffusion (cf. Jacoby, 2000, p. 8). Indeed, Gabriel Tarde (1903), one of the founding fathers of sociology and author of the Laws of Imitation, describes the process of diffusion as one in which agents simultaneously converge on a

fashion and distinguish themselves from others.⁴ The process of change may involve convergences and divergences at the same time. The bias inherent in some of the diffusion and policy transfer literature toward a sort of "convergence" might be best balanced by a notion of change that takes both convergence and divergence as important dimensions.

III. THE INTERNATIONALIZATION OF PUBLIC POLICY AND PUBLIC MANAGEMENT

One of the most important debates in the social sciences in the last decade has focused on the "future of the nation-state" (Weiss, 2003; Marsh and Smith, 2004). Various scholars argue from different points of view that the power of the state is expected to decline and that new types of actors and political organizations are gradually taking over responsibilities and policy capacities that were once the exclusive domain of the nation-state (Ohame, 1995; Strange, 1996). A forceful argument to that effect was made recently by Braithwaite and Drahos (2000, pp. 3-4) who argue that most states outside Europe and the United States "have become rule-takers rather than rule-makers":

The extent to which states have become rule-takers rather than rule-makers is greater than most citizens think, largely because when governments announce new regulatory laws, they are somewhat embarrassed to disclose that the national legislature voted for those laws without having any say in shaping them... for years, some of Australia's air safety standards have been written by the Boeing Corporation in Seattle, or, if not by that corporation, by the U.S. Federal Aviation Administration in Washington. Australia's ship safety laws have been written by the International Maritime Organization in London, its motor vehicle safety standards by Working Party 29 of the Economic Commission for Europe, and its food standards by the Codex Alimentarius Commission in Rome. Many of Australia's pharmaceutical standards have been set by a joint collaboration of the Japanese, European, and U.S. industries and their regulators, called the International Conference on Harmonization. Its telecommunications standards have been substantially set in Geneva by the ITU. The Chair (and often the Vice Chair) of most of the expert committees that effectively set those standards in Geneva are Americans...

Dolowitz, in his chapter on the state and the process of globalization, takes issue with the arguments on the decline of the state, and suggests that the growth of policy transfers opens, and not only constrains, the policy options of the state. Dolowitz, one of the pioneers of the policy transfer literature

(Dolowitz and Marsh, 1996, 2000; but see also Rose, 1993), suggests that there are at least three good reasons why we should take the state seriously when we examine the role of policy transfers in the context of globalization. First, it is clear that the nation-state has continued to be an important, if not the predominant, entity in international governance. Second, few within the globalization debate acknowledge, let alone discuss, the importance of the state for the very development and survival of "globalization." Finally, few have discussed the processes inherent in globalization in light of the fact that any state can utilize these processes to strengthen its own position in relation to domestic and international governance. Globalization in this formulation is an opportunity to learn from other political systems. States can learn from each other in order to 1) enhance or reduce the international effects of globalization; 2) expand or reduce the impact of globalization on individual political systems; 3) use the rhetoric of globalization to justify actions based on "foreign" actions and ideas; 4) utilize institutions such as the European Union (EU) to harness the forces of globalization to their advantage; and 5) use international governing bodies (e.g., the EU) to weaken the impact of globalization. To restrict policy transfer, Dolowitz suggests, is to restrict globalization. To facilitate policy transfer is to facilitate globalization. What we should place on the research agenda are questions of how to govern transfer so as to maximize the social benefits. Embedded in Dolowitz's analysis is the supposition that the policy process is governed, or at least can be governed, and that states, at least some of them, are the most important actors in this process.

A somewhat different perspective is offered by Robker K. Christensen's (this volume), who focuses on international nongovernmental organizations (INGOs). Although not sovereign entities, INGOs possess a vast potential to influence international, national, and local policy, and they have demonstrated that potential in many instances. The most recent decades have witnessed remarkable growth in the numbers of these organizations, with nearly one-sixth of today's approximately 37,000 INGOs being formed in the 1990s. Possibly more significant than the expanding number of these organizations, he presents a datum that indicates that where nongovernmental organizations handled \$1 billion in world development funds in 1970; by 1997, these organizations were handling more than \$7 billion. The proliferation of these organizations, he suggests, raises the question of whether they are most appropriately placed inside or outside the traditional worldview that recognizes nation-states as the primary and legitimate institutions of global policy making (the "Westphalia paradigm," in his terminology). As an alternative to this dominant paradigm, he suggests that of "global society" (or "transnational society" or "world community"). This emerging paradigm refers to "a society of state actors and non-state actors like NGOs, multinational

corporations, and individuals on a global scale, which is characterized by a multitude of decentralized lawmaking processes in various sectors, independent of nation-states" (Nowrot, 1999, p. 641). Christensen moves on to suggest some ways in which the two paradigms can be evaluated. Although he differs from Dolowitz in his focus on INGOs, and although he contends that the "state's policy-making ability is being redefined by nonsovereign entities," he does not go as far as to dismiss the importance of state actors in policy transfer. What both he and Dolowitz share is a recognition that both actors are important, and even more notably that policy transfers by both state and nonstate actors are important enough to become a major focus for students of social, political, and economic change.

Although the first two chapters of **Part I** highlight the debate on the agents of change and their role in policy transfers, the next four chapters of **Part II** deal with various issues of regulatory change. Andreas Busch's chapter on regulation of the banking sector raises the subject of the convergence of policies, politics, and institutions. He frames his analysis between the contradictory predictions about greater convergence, on one hand, and constant or even increasing divergence, on the other hand. These different predictions are subject to extensive empirical analysis in the arena of banking regulation. In that area, institutions that are grounded in countries' particular histories exist, but the pressures of globalization are highly concentrated. The regulatory systems of four countries—the United States, the UK, Germany, and Switzerland—are then discussed. Despite the existence of strong international institutions and strong norms of banking, and despite the nature of "finance" as a global sector, President Bush does not find support for the strong version of convergence. Although substantial convergence is found in terms of regulatory content and policy, there is none in terms of the political processes and the institutional dimension. He finds that the policy discourses, only to a small degree, characterized by the *frame* of international competitiveness, whereas more often, national specific issues dominate the day-to-day legislative debates. Examples of such issues are: in the Swiss case, money laundering; in the UK, several high-profile banking failures, each of which triggered changes in banking legislation; and in Germany, universal access to banking services. This does not suggest that firm versions of the divergence theories are better. Instead, he suggests that in the process of change and policy transfers, national institutions functioned as "filters." They dealt with similar or even the same problems in their own specific ways, thereby producing different policy outcomes and dynamics in the various countries. Results in terms of what was adopted vary among "active political design," "path-dependent development," and "blockade."

Chapter 5 by Peter Humphreys moves the discussion of the effects and nature of policy transfers from banking to telecommunications and broad-

casting. Although Dolowitz and Busch focus on states as actors, and although Christensen's focus is on INGOs, Humphreys examines the EU in this process of change. The supranational institutions of the EU have mediated this process of change, deploying policy transfer and learning mechanisms that range from coercive to voluntary. They do so in the attempt to achieve a harmonized European response to these pressures of globalization, technological change, and international regulatory competition, and in this way perhaps to increase the legitimacy of the EU as a political institution. In Humphreys' analytical framework, the EU falls between the "global" and the "national" (i.e., the member states) and can reinforce or moderate globalization pressures. Globalization induces regulatory competition where states have had to develop "competitive" policies on a whole range of fronts: tax regimes, employment and social legislation, regulatory policy in a host of economic sectors, and more. The purpose is to attract or retain investment, and thus to be able to compete in the global economy. A creative and dynamic process of policy learning is therefore necessary for success. Europeanization does not *cause* policy transfer or regulatory competition; rather, Humphreys regards EU action as an intervening variable—*coordinating, synchronizing, and mediating* a joint European response. This suggestion is then examined against the "social" and "domestic" characteristics of the broadcasting sector and against the "economic" and more "international" characteristics of telecommunications. He points that, in both sectors, globalization pressures, technological change, and regulatory competition have driven a process of a paradigmatic change of regulatory policy from state monopoly to a liberal, procompetitive regulatory order. Still, EU regulatory harmonization has advanced considerably farther in the "technocratic" sector of telecommunications than in the much more "politically sensitive" sector of broadcasting, where the promotion of socio-cultural goals has been a factor for continuing national divergence. This conclusion seems to draw some of the limits of the EU as a political institution, and of policy transfer in general. When policy transfers are perceived as problematic from the national point of view, they are less likely to be adopted even if they represent a better model of regulation.

Telecommunications is also the subject of Chapter 6 by Silja Häussermann, André Mach, and Yannis Papadopoulos. Like finance, telecommunications is one of the "critical cases" where major suggestions as to the extent, scope, and impact of globalization, convergence, and policy transfer have been examined. Not by chance is it discussed again in this book. Nor is it by chance that the EU appears again. The EU is one of the most, if not the most, intriguing international organizations. Together with the INGOs that were discussed by Christensen, it represents many of the most interesting features of global policy change. What these authors set out to examine is the process of liberalization, in general, and regulatory change, in particular, within the

EU (The Netherlands and Austria) and outside it (Switzerland). These three corporatist countries with large government coalitions have embarked on reforms of their telecommunications sectors, which have similar institutional configurations. Yet despite similar results in the content of the reforms in the three countries, they evince important differences in the mechanisms of change that cannot be explained by EU (non)membership. Rather, the policy transfer mechanisms and the "learning capacity" of each country in the context of profound external changes are thus largely dependent on the domestic economic and political structures.

In the liberal countries (The Netherlands and Switzerland), they argue, adaptation to EU regulations can mainly be explained by domestic pressure emanating from economic actors who were in favor of telecom liberalization and by the emergence of new norm entrepreneurs in the national administration. In these countries, economic, political, and administrative elites were much more receptive to telecommunications liberalization, an issue placed on the political agenda as early as the first half of the 1980s, quite independently of the European evolution. Moreover, the national operators in both countries developed an international strategy in the early 1990s through their participation in Unisource (an alliance of different national telecom companies) to expand their activities abroad. Similarly, the national administrations were involved in different formal and informal international bodies active on telecom issues, which contributed to their role as policy entrepreneurs at the domestic level. Nevertheless, the extensive EU legislation, as well as the EU agenda, played a central role mostly in the timing of the reforms of telecommunication legislation in both countries. By contrast, in Austria, representing a social version of democratic corporatism, the relative closedness of the national economy and the tight relations between the political authorities and the national telecom operator prevented the early start of a "learning process." Only with the adoption of the European Economic Area Treaty and by joining the EU in 1994 did telecom liberalization in Austria become a major issue. Hence, because of the lack of domestic support for liberalization, "external coercion" was much more important, and the European Commission came to play a decisive role in the reform process.

Jacint Jordana and David Levi-Faur's chapter on the rise of the regulatory state in Latin America looks at the policy transfer of "one particular institution": autonomous regulatory agencies in 19 Latin American countries and 12 different sectors between 1920 and 2003. The chapter, which is based on the authors' unique database, reveals the explosive growth of regulatory agencies across different sectors and nations in Latin America. From a paltry 43 agencies in 1979 (mostly in the financial sectors), the overall number tripled to 133 by the end of 2002. Although in 1979 only 21 of the

agencies were nominally autonomous, the total number of nominally autonomous agencies has multiplied almost sixfold to 119 agencies by the end of 2002. Although this number represents only about 60% of the total potential adoptions in these countries and sectors, and although in only 53% of the potential cases is there nominal commitment to autonomy, this is still a sweeping success for the idea of governance through regulatory authorities. A particular institutional design of regulatory governance via autonomous agencies of the state that was confined for a long time to the United States (at the country level) and to central banking (at the sectoral level) is well on the way from "best practice" to a hegemonic institution grounded in a new convention on the best way to govern the economy (Levi-Faur, 2002). In fact, not one sector studied here, and not one country in the region, including Cuba, has remained untouched by the process. Yet countries and sectors vary in their reception of the reforms, and the chapter uses these variations to shed some light on the process of globalization as a diffusion process.

One of the important contributions of Jordana and Levi-Faur's chapter is the emphasis on the multidimensional characteristics of the processes of policy transfer, in general, and policy learning, in particular. Instead of the common design of examining the transfer across nations, they distinguish sectoral from national patterns of diffusion. This distinction is further grounded in a distinction between the National Pattern Approach and the Policy Sector Approach for comparative analysis (Levi-Faur, 2004). It is common practice in the study of politics, in general, and of diffusion processes, in particular, to treat the nation as the major or even the exclusive unit of analysis. The majority of these studies focus on decisions relating to a single sector (or issue) and are oblivious to the presence of significant sectoral variations. Jordana and Levi-Faur emphasize sectoral variations in the creation of regulatory agencies and therefore facilitate a more refined account of the process of regulatory reform. They believe in the need for this approach as in an earlier study: after controlling for a battery of variables, they found that sectoral diffusion was as strong as, or stronger than, country-level diffusion. Their chapter provides empirical support for the use of compound research designs, in general, and for combining the analysis of *sectoral* and *national* variations and similarities, in particular (Jordana and Levi-Faur, 2003). Using a qualitative comparative approach in the current chapter, they were able to point to the increasing importance of national patterns of diffusion in the 1990s compared with 1920–1978. They could also indicate the importance of the sectoral dimension in the study of the origins of policy change and policy transfers.

Part III of the book moves the discussion to social issues. Four different issues are discussed: tobacco control, children's disability policy, urban policy, and healthcare. Donley Studlar's chapter examines the extent of

policy learning in tobacco control instruments. Before the mid-1980s, only in a handful of countries was tobacco control policy the subject of government legislation and regulation, rather than voluntary agreements between the tobacco industry and the government, or sometimes only among tobacco companies themselves. This situation has changed dramatically in the past quarter century, especially in advanced industrial democracies. There has been an increase in political advocacy by antitobacco groups, including professional and voluntary health organizations. Governments have become more willing to take regulatory action to limit tobacco consumption, including taxation and litigation as well as education, sales, advertising measures, and restriction of smoking areas. The specific policies, as well as their degree of enforcement, vary by country, as does the amount of antitobacco activity conducted by NGOs. But governmental tobacco control activities have become so pervasive that they are now the subject of international initiatives and agreements, including air travel treaties, European Union directives, World Bank reports, United Nations conferences, and, most recently, the Framework Convention on Tobacco Control of the World Health Organization. Studlar's chapter discusses patterns of similarity and difference in adoption and impact of tobacco control instruments over time, utilizing three theoretical orientations: convergence, emulation, and globalization, applied to the adoption and impact of tobacco control policies since 1960 in 14 advanced industrial democracies.

There was a small flurry of activity in a few countries in the mid to late 1960s; more activity in the 1970s, especially in European countries; and a marked increase since the mid-1980s across most countries. The last coincided with the rise of antitobacco groups and political concern about the effects of second-hand smoke. The findings attest to a great deal of convergence in the instruments used for tobacco control, especially since the mid-1980s, but less in outcomes. Nevertheless, even among advanced industrial countries, considerable differences remain in the instruments employed to try to reduce tobacco use. Heretofore, the major agents of convergence were cross-border policy learning and emulation, including transmission of scientific information, epistemic communities, government-to-government contacts, and non-governmental organizations. The availability of the Internet and e-mail communication, of periodic meetings such as the World Conference on Tobacco or Health (held 12 times since 1967), and of the international journal *Tobacco Control* has facilitated international communication of "best practices" on this issue. Increased activity by the EU and the advent of the Framework Convention on Tobacco Control by the World Health Organization in 2003 indicate that these globalized antitobacco forces may now be better able to harmonize policies and counter the influence of the still-powerful transnational tobacco companies. In addition, these developments

indicate the potential for even greater policy learning in tobacco control among these countries.

Dana Lee Baker's chapter discusses the extent of convergence of children's disability policy among the United States, Canada, and Mexico. The political landscape of this policy arena seems to have characteristics similar to those of other policies studied in this book, namely, internationalization of policy activity and formalization and consolidation of new international norms. At the end of the 20th century, thousands of international organizations focused on problems of disability. Their goals vary, with a marked divide between organizations of the disabled (which tend to be rights-based and constructivist in approach) and organizations for the disabled (which tend to be older organizations that are not generally led by individuals with disabilities). The most common goals of these organizations include the promotion of disability rights, civic education about disability, social networking for individuals with disabilities and their families, and promotion and advocacy of disability services. This activity may well lead to the creation of global norms about what is disability and how governments should deal with it. One indication of this process is an expression of intent by 92 governments in 1994 to improve opportunities for children and youth with disabilities through inclusive education. This intention was formalized in the United Nations Salamanca Statement on the Education of All Disabled Children.

Although the concept of disability has become relatively transcendent and universal, the person described as disabled varies greatly across national and social contexts. Still, it is possible to identify a "paradigm shift" in this regard, and with it, new demands are placed on the social and political agenda of governments all over the world. The new paradigms tell governments how to deal with this constituency of disabilities as well, and at the same time inform the organizations for the disabled and of the disabled how to best define their interest, goals, and strategies. Baker examines the change and its limits through a study of three cases: Mexico and the United States, where the issue is dealt with at the federal level, and Canada, where it is under the authority of the provinces. In all three cases, she identifies convergence of national perceptions as to what disability means and how this change in meaning affects on policies on disabled children. At one level, there are good reasons for optimism. Material prosperity and advanced technological capabilities have dramatically decreased the percentage of jobs that cannot be adapted to accommodate disability. At another level, different degrees of prosperity and various measures of awareness of the problems of disabled children limit the pace of policy transfers.

Anie Hershcovich's chapter on urban policy concludes the social part of the book by looking at the challenges for urban policy makers. If the

key actors in the process of policy learning and policy transfer so far have been governments, international organizations, and nongovernmental organization, Herschovich introduces another dimension into the analysis. In his formulation, the process should be understood from the viewpoint of urban policy makers, and more generally by the existence of an "urban policy regime." Cities are key players in the globalization process because they are the "gateways" through which the worldwide exchange of goods, capital, information, and people actually occurs. Some cities have become "global cities"—nodes of wealth and control with a global reach in the emerging global system. In others, globalization has brought profound changes in their economic and social structures. Although some observers claim that, before the tide of globalization, a city's fate is determined by forces beyond the reach of local politics, Herschovich suggests that the city's ability to cope largely depends on its urban regime. This consists of a set of official and unofficial arrangements whereby public and private organizations initiate and shape policies that determine the extent of adaptation to, or learn, the changing conditions of globalization. The footloose nature of global capital has caused policy makers to try to enhance their city's competitiveness with an increasingly entrepreneurial pattern of policy formation, in order to create a more "business-friendly" environment. Globalization has induced changes that now challenge the democratic nature of urban regimes: a growing number of underprivileged immigrant communities, on one hand, and elitist-gated communities, on the other hand, have formed separate frameworks for the provision of local social services. These communities withdraw from political participation and threaten either to render obsolete the traditional institutions of representation and accountability or to have them taken hostage by a "growth coalition" of politicians, real estate developers, and businessmen. The urban regimes are increasingly embedded in global regimes and increasingly open to policies and ideas from other parts of the world. Large cities, whether global or "going global," are becoming ever more a part of the global network of international organizations, supranational alliances, multinational companies, financial institutions, and so on. In this way, a city's wealth depends increasingly on the flow of people, goods, capital, and ideas through this network, and less on state policy. Local governments are becoming part of the global network; they are no longer satisfied with the role of national government subcontractor, and this diminishes the role of the state, to some extent.

This part of the book concludes with Hans Vollaard's chapter on healthcare and territoriality in an era of globalization. Vollaard examines the conditions that challenge the current regime of health provision and the reaction of the established actors to these challenges in one EU member state, The Netherlands. The current healthcare regime is based on solidarity. This

can only be sustained in closed national communities that restrict entry and exit. Without restrictions on entry or exit, no one could be coerced to contribute to cover the costs of the benefits and services distributed, or be restrained from consuming them. Free movement within the EU, especially the enlarged EU, will challenge the financial sustainability and the efficient planning and provision of welfare. For example, healthcare systems may face the departure of affluent contributors as well as protests by those left behind against further cuts to health services, and an increasing inflow of health users who are not nationals. Notwithstanding these risks, European states have experimented with cross-border healthcare within the framework of European integration. Policy learning is taking place in the setting of this new situation. Experiments involving the more efficient use of health facilities were introduced in border areas to learn about cross-border patient mobility. Instances of these experiments along The Netherlands' borders show that the Dutch health authorities have adopted a cautious approach to prevent any disturbance of their system's financial sustainability and organization, despite limited patient mobility. Dutch health authorities and private actors involved have sought to control cross-border healthcare by extending the contracting system between health providers and insurers across the borders. With the continuation of dissatisfaction about waiting lists, and growth of familiarity with a foreign healthcare system—the main motives for seeking cross-border healthcare, the Dutch healthcare state still faces challenges to its sustainability.

Patient mobility, namely uncontrolled entry and exit, may eventually result in the restructuring of the territorial healthcare states and in another surge of extensive policy learning across the EU member states. The problem, however, goes beyond functional requirement of more effective healthcare provisions. Citizens' dissatisfaction poses a direct challenge to states' legitimacy. The solution might be through keeping exit and voice at bay by fostering national loyalty, or by avoiding further loss of legitimacy by devolving responsibility to the market, Europe, or regions. States have to cope with the destabilizing effects of cross-border healthcare themselves by restricting exits again or sharing the financial burden on the European level. So far, few voices have been heard favoring European cooperation between healthcare states as patient mobility is still fairly limited and heavily supervised by states' health authorities. Depending on health users' familiarity and dissatisfaction with other systems, EU-imposed exits may initially loosen the congruence of states' territories, health consumption, and healthcare systems within the EU territory. Nevertheless, stimulation of regional or national loyalty to restrict exit and voice, and cross-border and cross-level coordination among subnational, national, and European health authorities to sustain and improve healthcare provision, may keep the territorial principle in the EU area alive.

Part IV of the book examines policy transfers across national administration centering on three issues: human resource management in Latin America, anticorruption policies led by international organizations, and the diffusion of adversarial legalism from the United States to Europe. Carlos Ramío and Miquel Salvador's chapter on human resource management in Latin America's public administration offers an account of the impact of new best practices in public management and the difficulties faced by countries dealing with it (characterized by a low degree of institutionalization). These authors show how certain modernization paradigms and operative instruments impede countries from taking advantage of their potential to improve public management by failing to consider prevailing institutions. Conceiving of the civil service as an institution, with its integrated and self-reinforcing components, the administrative reform initiatives could be defined as waves created by international pressures, with different degrees of compatibility with the countries' civil service systems. Important similarities have been detected also in the content of modernization programs and the strategies followed by governments. Both are good examples of the institutional dissemination processes, through isomorphism dynamics (mainly mimetic and coercive), and both show the formal impact of globalization dynamics and the influence of certain actors, such as international agencies.

Yet despite some success in downsizing the civil service, the continuity of internal civil service dynamics must be interpreted as the institution's capacity to resist and absorb pressures to reform. The instability of Latin American political and administrative systems, as a major feature of the prevailing civil service institution, makes it easy to introduce new "rules of the game" into human resource management policies and practices, but makes it very difficult to consolidate them. With these institutions, Latin American civil service systems become relatively open to globalization processes in terms of incorporating new management practices and instruments; the hard part is to consolidate these exogenous and out-of-context contributions in order to change the rules of the game. Globalization has created a multinational space occupied by a host of agents that promote certain institutions. This multinational space should theoretically have the virtue of generating rich learning systems that will encourage institutional development in countries in regions such as Latin America. In practice, the result is the exact opposite: a closed technocratic learning system that feeds on itself outside the context of the countries' political, social, and economic realities. There is no real institutional learning dynamics, but a process of reaffirmation of a particular orientation that is conceptually armor-plated and gradually distances itself from the institutional realities it sets out to improve or resolve. But if the globalization of public management is not capable of coexisting with the specific political and social instruments of the region, it is unlikely to

generate institutional learning mechanisms that combine the global and local dimensions, which are the keys to fostering these countries' institutional development.

Bryane Michael's chapter on the globalization of anticorruption policies identifies the emergence by the late 1990s of global anticorruption policies and practices. Although much has been written, he argues, on the diffusion of policy lessons, the role of such diffusion on particular projects holds particular interest. The diffusion of anticorruption policy and practices highlights concretely the mechanisms and agencies responsible for cross-national policy learning and implementation. He suggests that theories of policy diffusion fall into roughly two groups: organization-led and institution-led perspectives. In the organization-led view, key organizations—such as the International Monetary Fund, the World Trade Organization, the Organization for Economic Cooperation and Development, or the World Bank—are responsible for the transfer of policy. The institution-led view of policy diffusion focuses more on the systemic dynamics of the policy diffusion process—with policy knowledge existing "out there" as norms, cultural institutions, or "mental models" that determine how agents propagate and respond to policies. Both views of policy knowledge ignore the intrinsic and useful value of policy knowledge. If policy has some intrinsic value (it is used more or less effectively for some purpose), it can and should be managed. Policy diffusion represents a contribution to a stock of knowledge, with each lesson building on the previous one. A policy knowledge management perspective offers a "mesolevel" between organization-led and institution-led perspectives by showing how such policies are "operationalized" with concrete projects by concrete project managers.

In the "first wave" of anticorruption activity (starting in the early 1990s), anticorruption policies and projects focused on "awareness raising" through action plans and guidelines that were narrow in focus—representing the simple organizational and institutional views of policy diffusion. In the second wave, anticorruption policy increased based on knowledge management. The goal for anticorruption in this second stage is to move beyond copied/codified knowledge to build-up institutions for knowledge pooling and the creation of tacit knowledge. Two questions need to be addressed in organizing for optimal anticorruption knowledge creation. First, does the project use codified or tacit knowledge? Second, is the knowledge applicable at the global or local level? Depending on the answers, anticorruption policy diffusion can (and should) consist of principles or discipline-based models, discipline-specific know-how (technical applied knowledge), best practices, and "local knowledge" or personalized training. To illustrate the issues, applications to anticorruption network design, investigative journalism training, and parliamentary training are discussed in the chapter.

R. Daniel Kelemen's chapter on the diffusion of adversarial legalism discusses one of the neglected dimensions of policy transfers. Kelemen argues that the Europeanization of policy making encourages a shift in regulatory style across EU member states toward a more adversarial, legalistic approach, similar to that found in the United States. Although EU leaders routinely express their commitment to the adoption of flexible, informal policy instruments at the EU level, the impact of such approaches has been overshadowed by the less discussed but more pervasive spread of transparent, legalistic, and adversarial approaches to regulation across a number of policy areas. The spread of adversarial legalism in the EU is not a product of the most common explanations for policy diffusion, such as policy emulation and regulatory competition. Rather, adversarial legalism is spreading primarily in response to political pressures generated by the EU's fragmented institutional structure and functional pressures generated by economic liberalization in the EU context.

Part V of the book examines global change in yet another sphere: how democratic ideas about participation in public policy are transferred from one polity to another, and how a new policy norm in this sphere is globally consolidated. It also discusses the difficulties involved in the actual implementation of this norm. Séamus O Tuama's chapter on public policy and public participation in the knowledge society examines the prospects for decision making in science and technology policies. The author reminds us that policy transfer is the transfer of knowledge, and that in this process—if we are to follow demands of civic republicanism—the agents should be the citizens. The purpose of the chapter is to suggest a model of democratic engagement in issues of science and technology. Concerns about the governance of science and technology increased considerably during the second half of the 20th century, and they continue today. Addressing these concerns is a challenge to democratic theory and practices. As science and technology produce increasingly complex dilemmas, on one hand, and risks and opportunities, on the other hand, they present a challenge to the legitimacy of democratic processes. Expert-centered policy process may make citizens' engagement a redundant part of the policy process. Yet why do science and technology need to be democratically steered? Because the fundamental issue is our expectations of the process of government itself. If we value efficiency more than other values, we might not require science and technology to be democratically steered. But if we value democracy at least as much as efficiency, we should understand that it holds little meaning unless it allows ordinary people to have a say over the most far-reaching developments that impact on their own lives, the lives of future generations, the human species itself, and all life on this planet. It should follow that policy transfers across nations should be examined not only against the gains in efficiency that

they provide, but also by the criteria of how they constrain or stimulate citizens' engagement in the policy process.

Deborah F. Shmueli and Pnina O. Plaut's chapter, "Translating Public Participation into Planning Policy," examines the difficulties involved in the implementations of policy learning. Their point of departure is the observation that public participation, transparency, consensus, and collaboration are widely embraced planning dogmas within highly developed countries of the world. Most planners and behavioral scientists are dedicated to the value of collaboration and participation, whereas lawmakers and administrators are wary but reluctant to declare themselves publicly opposed to them. The chapter reviews trends—both traditional and current state of the art—in the impact of citizen participation mechanisms on policy making over three decades. The background experience is drawn from North America, Europe, and Australia, whereas the empirical cases are taken from Israel's planning arena. The findings illustrate the obstacles that face attempts to transfer the collaborative dogma of American and European planners to the Israeli scene. To date, Israel has failed to embrace the participatory planning process wholeheartedly. The processes it has recently emulated are those practiced in the early years of participation in Western societies, which in recent years have been replaced by more collaborative approaches. Israel's planning policy makers and bureaucrats have, for the most part, regarded collaboration, transparency, and shared decision making as impediments to rational, technical planning models. They continue to follow statutory laws and structures that are top-down and narrow, pursuing implementation of the planning process in ways that pay only lip service to interests of many stakeholders. However, the cases also offer a note of optimism, indicating initial efforts to emulate participatory processes that may lead to collaborative and consensus-building structures adapted to local and regional planning policies.

Ian Bartle's chapter on political participation and market citizenship explores the relationship between economic integration and the development of markets and pressures for political participation and citizenship with particular focus on the EU. Markets are extending their reach into more and more areas of the economy; globalization and regional integration are distinctive trends of our time. The market is also increasingly encroaching on government and public administration. At the same time, and apparently paradoxically, citizenship and participation, together with notions of transnational and global civil society, have become prominent political themes. Bartle's chapter draws on work which suggests that markets and civil society are complementary and mutually dependent, and that although the rise of the market may threaten some forms of participation, new possibilities of political participation have arisen.

From evidence primarily in the EU, it is argued that spillover pressures exist from new markets that can create pressures for political participation and citizenship. In the EU, the limited idea of "market citizenship" has developed into something resembling political citizenship. In the emerging single European market, pressures for participation have led to the proposals in the EU's White Paper on Governance for the increased participation of "civil society." Similar, although much more inchoate, processes are evident in other world regions and in the systems of global governance. Comparison of different transnational arenas indicates that markets per se do not explain the forms of developing participation. Political and institutional contexts are necessary to understand the ways in which the pressures are manifested and citizenship and participation are realized.

The effectiveness of new forms of transnational political participation is, however, somewhat limited. In the most developed transnational arena, the EU, proposals associated with the White Paper, such as incorporating stakeholders in coregulation arrangements and extending the role of the Economic and Social Committee, do not significantly enhance participation, although ideas such as better consultation offer more promise. In other much less institutionalized regions, participation is correspondingly more limited. The problems of participatory governance are, however, not limited to the transnational level and, as within nations, significant improvements may require an "authentic discourse" between citizens and the policy elite. This may exist within social subgroups, but transferring it to larger national politics entails great difficulty. If transferring the discourse to larger and highly institutionalized national politics is hard, transferring it to less institutionalized transnational arenas is a mammoth task.

All in all, these chapters point to the increasing importance of policy transfer and diffusion within transitional policy communities in the shaping of national and international policies. In doing so, they contribute to a better understanding of the process of policy change and governance in a global polity by improving cross-cultural collaboration to maximize the benefits of knowledge and experience from other politics and sectors (see also Vigoda-Gadot, 2003b).

NOTES

1. Cf. "In scholarship on institutional change, imitation has become nearly invisible, relegated to the status of curiosity mentioned in historical footnotes or superficial prescriptive asides. I believe that imitation should in fact be acknowledged as crucial to many cases of institutional change. Surely, the idea that the fortunes of societies have no influence on choices beyond their own borders is implausible" (Jacoby, 2000, p. 2).

2. The pioneering work on diffusion research across the American states (Walker 1969; Gray 1973) is an exception. It is only with the policy learning/policy transfer literature of the 1990s that the issue became again a major focus of research in the discipline.
3. This does not mean that all diffusion analyses pay attention to the contagious aspects of the process.
4. It might well be that we all wear jeans to work, but we will make an effort to distinguish ourselves from others either by the sort of jeans we use or by adding accessories to them. We want to be similar to others and, at the same time, differ.

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2

Bring Back the States

Correcting for the Omissions of Globalization

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1. INTRODUCTION

Globalization is commonly described as the processes and forces leading to an ever-decreasing capacity of the nation state to govern within its territorial boundaries. The causes for the state's loss of its governing abilities range from the transnational nature of issues (such as environmental degradation and spread of terrorism) to the speed and intensity of financial and capital flows. The combined global nature of issues, and the ease and speed with which finance and capital flow in and out of a national market ensure that governance in one nation is almost impossible, as governments are judged by their attractiveness to international actors, not by indigenous policy success or failure. The problem faced by policy makers is that although they might have been accountable to indigenous forces in the past for their social and economic policies, international actors are not accountable or loyal to individual states but they can punish any state they perceive as acting against their needs or against their desires. As such, even traditional welfare state policies have had to be rethought to ensure that the international community perceives national socio-economic paradigms as being both safe and in their particular interests.

The problem with this is threefold. First, it is clear that the nation state has continued to be an important—if not the predominant—entity in international governance. Second, few within the globalization debate acknowledge, let alone discuss, the importance of the state for the very development and survival of “globalization” (for exceptions, see Clark, 1999; Dunning,