When Do Policy Innovations Spread? (Note)

Katerina Linos, Berkeley Law

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WHEN DO POLICY INNOVATIONS SPREAD?
LESSONS FOR ADVOCATES OF LESSON-DRAWING

In recent years, the European Union (EU) has begun a gradual shift from traditional regulatory policymaking toward more flexible methods of coordination. For instance, while directives setting minimum regulations once dominated EU employment policy, since 1997, the Open Method of Coordination (OMC) has come to the forefront, emphasizing benchmarking, monitoring, and exchange of best practices. Similar "soft coordination" strategies have begun in many other areas of EU policymaking, including economic policy, tax competition policy, social inclusion and pensions policy, and environmental policy. High expectations combined with thin evidence regarding the consequences of a shift toward cooperative governance have led to a polarized debate. To specify the circumstances in which OMC-type efforts succeed and fail, this Note reviews empirical evidence from the literatures on diffusion and policy transfer to answer four questions: Who copies? What is imitated? Which relationships facilitate imitation? How does learning shape the policy process? This research suggests that the OMC holds substantial promise to advance EU integration in a positive direction, as it brings disadvantaged actors to the focus of national debates and seems to have the greatest effects on the least developed member states.

I. THE OPEN METHOD OF COORDINATION

The Open Method of Coordination is a process of policy exchange and monitoring between the EU Commission and the member states, and among the member states. The Commission and member state

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2 See Mosher & Trubek, supra note 1, at 63-64, 83-84.


representatives set EU-wide goals and guidelines and then establish indicators to measure member state progress. Member states report on how they translated broad guidelines into specific national policies; these experiences are then shared, evaluated by the Commission and other member states, and publicized widely. The process is iterative — it begins anew with improvements in the guidelines, indicators, and national policies as needed.7

The OMC is often contrasted with binding EU processes in which policies can be enforced through legal sanctions. For example, in the area of social and employment policy, EU directives specify maximum working week hours, maternity leave minima, and working conditions in factories, among other issues.8 By contrast, as part of the European Employment Strategy, which involves many OMC elements, member states are prompted to move away from programs that merely provide income support and toward programs that reintegrate people into the labor market.9

The existing literature on the OMC focuses on two aspects of the process.10 First, the literature painstakingly examines the OMC’s institutional history.11 Interestingly, such reviews often highlight that, while the specific instruments of the OMC are recent, examples of similar processes of “soft coordination” abound in EU history. Second, it extensively debates the OMC’s theoretical significance. Along these lines, some commentators herald a process characterized by participation and democracy.12 Indeed, both policymakers and academics have been sufficiently enthusiastic about the process to seek its inclusion in

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7 Both the content of the recommendations and the process of information exchange and monitoring differ by issue area. For instance, government reports on existing policies and planned policies — the National Action Plans (NAPs) — are issued at different intervals depending on the issue. For details, see Mosher & Trubek, supra note 1, at 68–71; and de la Porte, Pochet & Room, supra note 1, at 299–302.

8 For a discussion of these directives and the influence they have had on member states, see Gerda Falkner et al., Complying with Europe: EU Harmonisation and Soft Law in the Member States (2005); and Katerina Linos, How Can International Organisations Shape National Welfare States? Evidence from Compliance with European Union Directives, 40 COMP. POL. STUD. (forthcoming June 2007).


10 David Trubek and Jonathan Zeitlin have compiled an excellent and frequently updated online archive of research on the OMC. See The University of Wisconsin-Madison EU Center of Excellence, Research Forum on the Open Method of Coordination, http://eucenter.wisc.edu/OMC (last visited Feb. 11, 2006).

11 See, e.g., de la Porte, Pochet & Room, supra note 1, at 293–98.

the Constitutional Treaty. Others, however, fear a weakening of standards as mere talk supplants the power of legal requirements. Overall, a large gap in the literature remains: one knows very little about the OMC’s actual effects.

Nevertheless, several intriguing suggestions about how the OMC may matter are available. First, the OMC may help governments reach common policy goals — a convergence toward policies that is quite distinct from the convergence that globalization theorists fear. For instance, in the period since the launch of the OMC, there has been a shift away from unemployment reduction and toward improving employability as the overarching employment policy goal of EU member governments, as well as an increased emphasis almost exclusively on active labor market policies. This shift has radical implications for the treatment of women, the young, and the old; governments can no longer ignore their lower labor market participation by concentrating on unemployment statistics. Similarly, funding is no longer the dominant solution to the question of sustainable pensions; policies that increase the age of retirement are becoming more popular.

Second, Kerstin Jacobsson and Åsa Vifell argue that the OMC has brought new actors into national debates, supporting their conclusion with interviews of policymakers across most EU states. Whereas governments, labor unions, and employers were once the sole participants in employment debates and government bureaucracies alone determined antipoverty policy, various NGOs now systematically participate in employment — and especially in antipoverty and social inclusion — policymaking efforts.

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15 The first solid compilation on this question, THE OPEN METHOD OF CO-ORDINATION IN ACTION, supra note 9, is cited extensively below.
19 Id. For more details, see EU Governance by Self-Coordination: Towards a Collective “Gouvernement Economique?”, http://www.govecor.org (last visited Feb. 11, 2006).
Third, OMC researchers have traced changes in what the Commission asks of member states in successive OMC rounds and thus have documented a process of learning and exchange.\footnote{See Mosher & Trubek, supra note I, at 76–79.}

Despite these stimulating findings, no definitive answers exist on how much impact the OMC has. People seeking such answers face several limitations. Researchers are limited by a potentially strong bias in their sources — Commission and national documents produced for the purposes of the OMC and reports of participants in the process may systematically overstate its effectiveness. Time is just as significant an obstacle — it is too early to draw conclusions about a process that has been running for only a few years by looking directly for changes in policy outcomes. Yet while the OMC itself may be new, the strategies it encourages have been used extensively in other contexts where competitors have tried to learn from one another, and international organizations have facilitated this process by collecting and disseminating ideas. Thus, connecting questions about the OMC to a broader literature on imitation seems fruitful. Shifting the focus away from whether the OMC is a good idea permits a clearer assessment of where and how the process will succeed or fail, and how to identify success.

This Note synthesizes insights from related literatures on diffusion, policy transfer, conditionality, and lesson-drawing to explain what to expect from EU soft governance efforts. Diffusion is often defined as the adoption of a practice in successive jurisdictions, regardless of the reasons for the pattern. Lesson-drawing, learning, and policy transfer usually imply that the mechanism underlying the transfer is cognitive or emotive persuasion. Conditionality refers to the adoption of a practice because its adoption is a condition for receipt of some other benefit, such as a loan. Scholars in all these traditions work in different disciplines, focus on different phenomena, use different methods, and to the extent that they cite one another’s work, do so principally to demarcate their traditions’ particularities. Such debates are set aside here so as to draw out as much substantive and methodological guidance as possible from diverse fields.\footnote{For a useful review of the diffusion literature in sociology, the field in which it is most developed, see David Strang & Sarah A. Soule, Diffusion in Organisations and Social Movements: From Hybrid Corn to Poison Pills, 24 ANN. REV. SOC. 265 (1998).}

Again, this Note attempts to answer four basic questions: Who copies? What is imitated? Which relationships facilitate imitation? How does diffusion shape the policy process? These four questions are best understood not as independent but as nested. They are merely helpful categories for processing a large and diverse secondary literature.
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Each set of answers moves from more general findings of the literature on diffusion to more direct applications concerning policymaking.

II. Literature on Imitation

A. Who Copies?

Works on diffusion identify three categories of agents as especially likely to imitate others. First, individuals and groups facing competitive pressures are more likely to adopt reforms and thus to copy innovations from elsewhere. This is especially true when competitive pressures reach crisis levels. Second, people and associations who self-identify as progressive or modernizing are more amenable to foreign influences. Third, groups that have reached consensus on the direction in which they want to proceed are more likely to innovate and adopt foreign models.

Agents in competitive environments are more likely to innovate and imitate than agents facing weaker competitive pressures. Consider the market as the prototypical competitive environment. Firms exposed to high levels of competition are more likely than other firms to adopt novel managerial and production practices. Similarly, political parties and leaders facing more competitive electoral environments should be more likely to turn to foreign ideas to develop their campaign proposals. Along these lines, Sidney Tarrow argues that disruptive strategies diffuse more quickly among social movements in competition. Governments facing crises are also thought to be more likely to accept foreign models. For instance, Benjamin Goldsmith's study of Russian and Ukrainian leaders' foreign policy beliefs indicates that learning and imitation are more likely to occur following a major failure.

Individuals and groups that see themselves as modern and innovative are also disproportionately likely to adopt foreign models, as so-
ciological literature indicates that traits such as youthfulness are good predictors of innovation adoption at the individual level.28 These findings also cohere with the rhetoric of politicians introducing foreign reforms — for instance, New Labour in Britain used a rhetoric of modernization to introduce a variety of social reforms.29 Whether rhetoric is epiphenomenal or change is causally driven by agents' self-understanding, is a fundamental debate in the literature of identity. However, sociological studies suggest that "modernizer identity" theories can be easily tested empirically. For example, the age or political orientation of agents can be used as an independent variable to predict foreign model adoption.

A third hypothesis proposes that organizations that have reached consensus on a general direction for change are more likely to adopt foreign models. For example, Christoph Knill and Dirk Lehmkuhl suggest that one important mechanism of Europeanization is change through cognitive pathways — when national governments have reached internal consensus, an EU proposal can serve as a focal point around which secondary aspects of the proposal are organized.30

Who should be most receptive to EU ideas promoted through the OMC and other soft governance strategies? The usual answer, to the extent that one exists, distinguishes between Euro-skeptic and Euro-friendly countries and administrations and predicts that governments that are generally enthusiastic about EU membership will be most receptive to EU proposals on particular policies.31 The research summarized above provides many more analytically powerful hypotheses. Agents in competitive environments, agents who self-identify as modern, and agents who have reached internal consensus are most likely to react positively to OMC methods. The competitiveness theory may help predict, for instance, that National Action Plans (NAPs) will be better prepared and more ambitious if due in pre-election season rather than early in an administration's term. Initial evidence from the Italian OMC experience supports the idea that actors who have reached consensus among themselves are more likely to learn from abroad. Maurizio Ferrera and Stefano Sacchi note that Italy's partici-

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pation in the European Employment Strategy substantially improved after responsibility for drafting the country’s employment policies shifted from a fragmented labor ministry to a focused “Monitoring Group” in 2000.\(^{32}\)

The above research may also offer ways to design OMC policy to make it more effective. Many existing EU policies attempt to split the difference among existing national policies by setting minimum common standards, permitting states to continue along prior paths. Such a strategy, while possibly effective in the case of directives and regulations, may be completely ineffective in the case of voluntary diffusion. Under the OMC, a novel practice adopted in a single state, but understood by many as modern and effective, may stand much higher chances of imitation than a less ambitious but more widely established practice.

B. What Is Imitated?

Just as some groups are disproportionately likely to copy, so too others are especially likely to be copied. The traits of pioneering agents as well as pioneering policies can help predict imitation patterns. First, the choices of high-status individuals and organizations are imitated by those of lower status. Second, choices deemed successful, regardless of their initial adopter, are imitated. The subsequent discussion explores the meaning of the terms “high status” and “success.” Third, policies that are better theorized and impose fewer externalities diffuse faster.

Many sociological studies show how individual status hierarchies translate into imitation hierarchies. Large farmers or community leaders adopt technological innovations early on and are then imitated by the rest of their communities.\(^{33}\) The political science literature on U.S. states suggests that a state’s wealth is a good predictor of its likelihood of adopting a new policy — across innovations, wealthier states tend to adopt policies first, and poorer states follow them.\(^{34}\) David Collier and Richard Messick’s early analysis of the diffusion of social security

\(^{32}\) Maurizio Ferrera & Stefano Sacchi, The Open Method of Co-ordination and National Institutional Capabilities: The Italian Experience, in THE OPEN METHOD OF CO-ORDINATION IN ACTION, supra note 9, at 137, 141–152.

\(^{33}\) See ROGERS, supra note 28.

across the world shows similar patterns — not only does the likelihood of adoption of a social insurance program increase with GDP, but latecomers also tend to adopt reforms at a lower absolute level of GDP than pioneers. Daniel Rodgers reports that the popularity of British laissez-faire strategies or, conversely, of German social interventions, rose and fell with these two countries' military and commercial fortunes.

The general hypothesis that successful policies are imitated can be explored further in several sub-hypotheses. Successful policies may be ones that appear attractive when initially developed, or policies that meet their set goals after implementation and evaluation. Policies to reduce public sector personnel may be attractive as such, because they cohere with neoliberal ideologies about the role of government. But Chang Kil Lee and David Strang also test whether downsizing policies that were correlated with “good” outcomes such as GDP growth, budget balancing, or positive trade balances were more likely to be copied. Additionally, some research examines not the aggregate effects of policy but instead instances of success with respect to particular imitators’ goals. For example, Desmond King and Mark Wickham-Jones suggest that the U.K. Labour party imitated U.S. welfare-to-work policies not due to the policies’ success in revitalizing the U.S. economy or in reducing the number of welfare recipients, but rather because these policies were understood as critical to President Bill Clinton’s electoral fortunes.

The degree to which the policy is theorized may also influence its diffusion. David Strang and John Meyer argue that models of action can become models for action — policies that can be presented in abstract terms and that offer some underlying cause-and-effect model are more easily imitated. Some empirical political science also supports this theory. Mark Blyth’s study of Sweden’s ideological shift to conservatism suggests that conservative policies were finally adopted not when the right came to power, but rather when a right-wing government coincided with economists who had measured, modeled, and de-

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Margaret Weir indicates that President Lyndon Johnson was less successful than President Ronald Reagan in implementing poverty policies, in part because Reagan was better able to connect a broad economic theory with his preferred proposals. Building on this theory, one might expect policies that are amenable to evaluation to display unique diffusion patterns. Specifically, policies that cannot be evaluated may diffuse at a relatively constant rate, while policies that can be studied may diffuse slowly at first but much faster after a favorable evaluation.

Finally, policies' externalities likely influence their diffusion. Duane Swank, for example, has studied the diffusion of tax policy, in which U.S. choices create a set of costs and benefits for tax decisions in other countries. Beth Simmons and Zachary Elkins examine trade liberalization decisions, which can prompt policy convergence among governments competing over the same foreign investments. Both studies find competitors imitating one another. In contrast, although Lee and Strang run a similar model to examine diffusion between competitors, they do not find any such evidence in the case of public sector downsizing reforms. Differences in policy externalities — public sector management has fewer direct effects on other countries' choices than tax or trade decisions — offer a plausible explanation to reconcile these findings.

What can this research on status, success, and externalities teach about the likely impact of the OMC? The theory that a status hierarchy shapes imitation patterns is supported by initial available evidence on where the OMC has had greatest impact. While the OMC influence on wealthy EU countries with model welfare states has been moderate, as case studies of Denmark and Sweden show, poorer

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45 See Lee & Strang, supra note 37, at 24.
46 See Kerstin Jacobsson, Trying To Reform the "Best Pupils in the Class": The Open Method of Co-ordination in Sweden and Denmark, in The Open Method of Co-ordination in Action, supra note 9, at 107, 107. Jacobsson highlights that "a major reason [for the fact that NAPs are merely reports, rather than actual plans] is the perception that Danish policies are already ahead of the EU agenda." Id. at 113.
countries with less developed welfare states, such as Italy and Ireland, were much more eager to learn.47

The notion that politicians will prefer to imitate successes rather than failures may seem self-evident. However, this relationship becomes less logical once one appreciates the magnitude of the information gaps governments face. Not only are careful experimental studies of policies’ successes a rarity, but relationships that lack a solid theoretical foundation — such as those between a country’s military choices and its old-age insurance system — also lead to imitation of particular policies.48 Thus, a more nuanced understanding of the concept of success can lead to more fruitful investigations and offer some guidance as the EU develops the OMC. For instance, an international organization may be more successful in advocating for a second-best but proven idea than for a theoretical ideal that has yet to be put into place or evaluated.

Similarly, if theorization has an independent effect on policy, this can explain which ideas should be promoted and how experts should be employed. Instead of hiding the theories to simplify results for politicians pressed for time, backing proposals with theory may increase their attractiveness. Mariely López-Santana’s work on the OMC illustrates that theorization can indeed shape policy outcomes. In her research on Sweden, Spain, and Belgium, she finds that “the ‘framing effect’ of soft law is significant to policymaking across states, especially in the case of policy formulation.”49

Policy externalities have been emphasized in studies of EU integration — they often form the core of the argument for decisionmaking at the supranational level. Diffusion studies show that policy externalities matter in the policy transposition and national implementation stages as well. This double role of externalities — speeding up both delegation to an international organization and national adherence to international organization recommendations — results in large differences between the spread of policies in the presence and absence of externalities. In the case of the European Employment Strategy, governments may well rush to copy one another once workers begin

47 See Ferrera & Sacchi, supra note 32, at 148 (“Between 1997 and 2002 the [European Employment Strategy] has been incorporated into Italy’s policy-making system and there can be little doubt that this has prompted a marked upgrading of crucial dimensions of institutional capability in the field of employment policy.”); see also Rory O’Donnell & Brian Moss, Ireland: The Very Idea of an Open Method of Co-ordination, in THE OPEN METHOD OF CO-ORDINATION IN ACTION, supra note 9, at 311, 323 (highlighting the importance of the OMC in changing Ireland’s active labor market policies).

48 See RODGERS, supra note 36, at 231.

moving across EU member state boundaries in large numbers, but not before that.

C. Which Relationships Facilitate Imitation?

While some policy choices are generally attractive models, and some countries are disproportionately likely to look abroad for solutions, the diffusion literature offers more specific, directional predictions about which parties should find particular solutions attractive. Research explaining the link between pioneers and imitators can be usefully divided into two broad categories — theories of proximity and theories of fit. The proximity thesis, in its simplest and relatively atheoretical formulation, is the proposition that geographically proximate spatial units copy one another disproportionately. Study after study supports this hypothesis.\(^{50}\) In political science, this hypothesis is especially developed in the study of U.S. states: when a state adopts a policy, its neighbors become more likely to adopt the same innovation.\(^{51}\)

More complex versions of the proximity theory explain why spatial distance matters. If diffusion networks mainly convey information, spatial proximity can stand for the availability and relevance of this information. Kurt Weyland argues that cognitive explanations of diffusion are more persuasive than alternatives in explaining three main features of diffusion patterns: the wave-like character of innovation adoption, the observed geographical clustering, and the spread of commonality amid diversity.\(^{52}\) At the individual level, not only is a leader more likely to know of his neighbors' choices, but he may also often trust information from peers disproportionately.\(^{53}\) Harold Wolman and Ed Page, and Jeffrey Checkel, among others, further investigate the circumstances under which transferred information is deemed credible and persuasive. First-hand conversations and visits work better than written reports; private settings are more helpful than public fora; deliberative arguments persuade more than lectures or demands.\(^{54}\)

\(^{50}\) See Strang & Soule, supra note 21, at 275.

\(^{51}\) See Berry & Berry, supra note 34, at 175–76. Additionally, for a recent analysis distinguishing between competition and learning as diffusion mechanisms across the U.S. states, see William D. Berry & Brady Baybeck, Using Geographic Information Systems to Study Interstate Competition, 99 AM. POL. SCI. REV. 505 (2005).

\(^{52}\) Kurt Weyland, Theories of Policy Diffusion: Lessons from Latin American Pension Reform, 57 WORLD POL. 262, 264 (2005).

\(^{53}\) See ROGERS, supra note 28.

\(^{54}\) See Harold Wolman & Ed Page, Policy Transfer Among Local Governments: An Information-Theory Approach, 15 GOVERNANCE 477, 496–98 (2002); see also Checkel, supra note 25, at 563.
How can one further investigate information flows? To examine connectedness at the aggregate level, diffusion studies use measures such as countries’ shared language, culture, religion, common membership in an international organization, and interactions through trade, mail, and telephone.\(^5\) As discussed in the conclusion, quantitative methodologies employed to date are often too blunt to test whether an exchange of ideas and information has occurred, or whether neighbors adopt similar policies for other reasons. However, solid examples in the quantitative study of diffusion from other disciplines, and rapid improvements in the techniques used in political science, encourage further work in this vein.\(^6\) As empirical methods are refined, the presumed relationship between proximity and informational exchanges may well be reevaluated and nuanced. For instance, Simmons and Elkins's methodologically pioneering work reports that shared religion better predicts the diffusion of tax liberalization policies than do measures that are theoretically closer to information flows, such as a shared language or a high volume of telephone traffic.\(^7\) Nonetheless, using quantitative techniques to discover which theory best explains a finding as solid as the proximity thesis seems worth the effort.

Qualitative work offers additional useful ways to study aggregate information flows. For example, Erik Bleich's examination of British and French race policy distinguishes between information availability and relevance. He suggests that while policymakers in both countries had ample available information about the U.S. model — in that coverage of U.S. race problems and policies was comparable in respective national newspapers — the U.S. experience was interpreted as irrelevant in France, but as highly relevant in Britain, which proceeded to adopt many of its features.\(^8\) Since technological progress has permitted greater connectedness in recent periods, information theories of diffusion also sometimes examine patterns in time. For instance, Andrew Karch suggests that the validity of the neighboring state hypothesis in the U.S. literature depends on the time period examined — earlier studies supporting this hypothesis investigated periods when networks


\(^{56}\) For a helpful discussion of how spatial techniques can be used for the types of samples common in political science, see Robert J. Franzese, Jr. & Jude C. Hays, Modeling Spatial Interdependence in Comparative and International Political Economy with an Application to Capital Taxation (April 1, 2005) (unpublished manuscript, on file with the Harvard Law School Library).

\(^{57}\) See Simmons & Elkins, supra note 44, at 1982–85.

were regional, while more recent work disproves this hypothesis because networks have become national.\footnote{59 See Andrew Karch, Analytical Foundations Introduction 39 (2005) (unpublished manuscript, on file with the Harvard Law School Library).}

Proximity hypotheses are anchored by an empirical finding central to the diffusion literature, which prompts further empirical testing and theoretical development. In contrast, fit hypotheses stem from a variety of theoretical traditions, and a common theme applicable to the study of policy transfer surfaces only upon further reframing for empirical testing. The potential imitator’s broad societal values, administrative structure and capacity, and national institutions that could interact with the proposed innovation all condition an innovation’s chances of adoption.

Richard Rose, among others, postulates that similar political ideology and values between provider and receiver make successful policy transfer more likely.\footnote{60 See Richard Rose, What Can We Learn from Abroad?, 53 PARLIAMENTARY AFF. 628, 641-43 (2000).} Karen Mossberger and Harold Wolman argue this point empirically — they tell us, for example, that the Thatcher government imitated U.S. health care and training policies, not because these were demonstrably effective, but rather because their market-oriented approach was ideologically appealing.\footnote{61 Karen Mossberger & Harold Wolman, Policy Transfer as a Form of Prospective Policy Evaluation: Challenges and Recommendations, 63 PUB. ADMIN. REV. 428, 431-32 (2003).} They suggest that a proposal’s adoption depends less on its objective fit with national values and more on the ability of politicians to create a rhetorical connection. Thus, for instance, Robert Cox indicates that Danish reformers succeeded in persuading voters that individual responsibility, rather than a large welfare state, was the authentic Danish value, by reinterpreting an article of the Danish constitution.\footnote{62 See Robert H. Cox, The Social Construction of an Imperative: Why Welfare Reform Happened in Denmark and the Netherlands but Not in Germany, 53 WORLD POL. 463, 479, 482-83 (2001).} Vivien Schmidt’s work suggests that different rhetorical frameworks are more or less successful depending on a country’s institutions. Coordinative discourse, appropriate for exchanges between groups in policy formulation, is better suited to states where authority has many poles, while communicative discourse, appropriate for conveying ideas to mass publics, works more effectively in majoritarian governments.\footnote{63 Vivien A. Schmidt, Does Discourse Matter in the Politics of Welfare State Adjustment?, 35 COMP. POL. STUD. 168 (2002).}

A proposed policy’s fit with a national system may depend both on a country’s general administrative and political system and on the country’s policies in substantively linked areas. The literature on va-
erties of capitalism argues that complementarities between different policies in a national economy limit the possibilities that the same reform will be introduced — or will be successful if introduced — in different political economies.\textsuperscript{64} Anton Visser and Jelle Hemerijck apply this insight to the study of welfare reform diffusion in Sweden and the Netherlands to argue that, especially in tightly coupled systems, innovations departing from national political economy arrangements are less likely to be introduced and less likely to succeed if introduced.\textsuperscript{65}

Analogously, the literature on legal transplants indicates that common law countries tend to copy laws from other common law countries, while civil law countries are also more likely to imitate one another.\textsuperscript{66} This literature, in which the initial adoption of a constitutional document conditions the later adoption of secondary laws, indicates that national values and institutional fit arguments are intimately related. Constitutions place structural limitations on possible future laws, while enshrining a nation’s values.

At the same time, Wade Jacoby’s work suggests the limits of both the proximity and the fit theses.\textsuperscript{67} Institutional transfer between East and West Germany arguably represents transfer between two states with great geographic, linguistic, and cultural proximity. Moreover, in the industrial relations cases Jacoby describes, the transfer of entire organizational sets, rather than of isolated institutions, was attempted upon reunification. Fit difficulties should have thus been minimized. However, the resultant wage-bargaining system was unsuccessful in many ways; Jacoby finds that the post-war transfer of industrial relations institutions to West Germany under American occupation was substantially more successful. Jacoby’s work suggests that, to the extent that a visible gap in the cultures or institutions of pioneer and potential recipient invites a flexible strategy of imitation, there can be advantages to some distance and lack of fit.

The above results on proximity and fit between pioneers and potential imitators help better predict the effects of the OMC. In a world where countries compete with one another for military and commercial success regardless of common membership in international organizations, benchmarking and peer review will only increase such pressures. One might expect that EU efforts will redefine proximity, not only by

\textsuperscript{64} Peter A. Hall & David Soskice, \textit{Introduction} to \textit{VARIETIES OF CAPITALISM: THE INSTITUTIONAL FOUNDATIONS OF COMPARATIVE ADVANTAGE} 1, 4–6 (Peter A. Hall & David Soskice eds., 2001).


\textsuperscript{67} WADE JACOBY, IMITATION AND POLITICS: REDESIGNING MODERN GERMANY (2000).
creating a broader shared identity, but also by narrowing information gaps on particular policy issues. Geographically and culturally distant EU member states may suddenly find themselves exchanging much more information than before. Portuguese successes, for instance, may get the publicity they never would have absent EU fora. Finally, the above discussion indicates that a common objection to EU policymaking on issues where national diversity exists — namely, that this diversity impedes the EU from developing through a shared policy model — may be misleading.

The fit of EU policy with prior domestic choices has been shown to matter in some first studies of the OMC. For example, Brian Moss and Rory O'Donnell attribute Ireland's ability to comply with the OMC employment and inclusion processes to the coherence of EU guidelines with national reform goals. However, while fit considerations are important, one should be wary of cookie-cutter solutions and remain open to new models that can inspire the support of some actors in different member states.

D. How Does Diffusion Shape the Policy Process?

Having suggested likely starting- and end-points of particular innovations, this Note now explores the process of policy transfer. Many works on diffusion present evidence of imitation without specifying how this imitation comes about. Works that do suggest mechanisms offer a multitude of distinct pathways. The intersection between studies of diffusion and studies of policymaking is richest when concentrating on two sets of actors — policy experts and international organizations — and two stages of the policymaking process — agenda setting and policy proposal formulation.

Political scientists and sociologists study the agents of change from different perspectives, though often political scientists' "policy entrepreneurs" and sociologists' "experts" or "expert networks" are the same individuals. Political scientists argue that policy entrepreneurs — political actors who promote policy ideas — shape the chances of a proposal's adoption. Michael Mintrom collected the necessary data to incorporate this insight into the quantitative diffusion literature. After surveying education policymakers in each U.S. state, he concludes that entrepreneur presence and activism significantly increase the probability that a legislature will consider and approve a diffusing model.

68 See, e.g., O'Donnell & Moss, supra note 47, at 323.
Sociologists focus on how groups of similarly trained professionals develop common standards and disseminate them. Lawyers, consultants, and accountants, among others, develop common responses to developments and contribute to the rapid spread of relatively homogeneous practices within countries. Professional influences do not stop at national borders. For instance, U.S. economists were critical in the diffusion of Keynesian policies in a great variety of countries.

Individual experts and professionals, and networks of such individuals, are not the only way to spread innovations. International organizations prompt governments to adopt policies they otherwise would not, by conditioning some governmental goal (for example, debt rescheduling and membership) on the adoption of a policy (such as free elections or lower public spending). EU scholars frequently juxtapose "hard," legally binding EU instruments with efforts to change national policy through "soft" governance. However, diffusion scholars have developed a continuum from "voluntary" to "coercive" transfer to characterize how international organizations' sticks and carrots shape government behavior.

An extensive literature on compliance with international organization legal agreements offers several insights on how nonbinding agreements may fare at the national level. The compliance literature finds both that international organizations can change the costs and benefits national governments face in their choices among national policy pathways, and that international organizations can help create or change government preferences on particular policy issues. These ideas could be straightforwardly applied to the question of implementing nonbinding agreements. Similarly, if capacity limitations prevent countries from implementing international law promptly, one could

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74 See, e.g., George W. Downs, Constructing Effective Environmental Regimes, 3 ANN. REV. OF POL. SCI. 25 (2000); Beth A. Simmons, International Law and State Behavior: Commitment and Compliance in International Monetary Affairs, 94 AM. POL. SCI. REV. 819 (2000).

75 See, e.g., Abram Chayes & Antonia Chayes, On Compliance, 47 INT'L ORG. 175 (1993); Checkel, supra note 25. For a helpful review of the literature on compliance with international organization mandates, see Beth A. Simmons, Compliance with International Agreements, 1 ANN. REV. OF POL. SCI. 75 (1998).
expect such technical weaknesses to matter even more when international organizations are promoting policy change through "softer" tools, because of the importance of experts and professionals in exchange networks.

The influence of international organizations can be usefully examined by looking not only at national government responses, but also at how the domestic policymaking process as a whole changes. For instance, Gerda Falkner and her collaborators suggest that, while the EU mandate on parental leave did not require much change in national behavior, it resulted in substantial change in policy because it reopened national debate on this question and strengthened the institutional power of trade unions.\textsuperscript{76}

Researchers can study the process of imitation not only through a focus on actors involved in the cross-national exchange, but also by looking at how their efforts shape the domestic policy process. The stages heuristic provides helpful information regarding where in the policy process diffusion matters most.\textsuperscript{77} One hypothesis is that diffusion works importantly during early stages of the policy process — notably by introducing grand-scale ideas and thus shaping national agenda setting. Another hypothesis is that diffusion works most effectively in shaping policy details. For instance, Hiroshi Araki's work suggests that national governments have certain fixed core ideas, but that their peripheral ideas are more flexible and amenable to foreign input.\textsuperscript{78} It seems premature to set up such hypotheses in direct competition with one another; sociologists show that concepts as broad as the nation-state, or as narrow as a keyboard format, diffuse. Instead, researchers might sharpen their insights if they assume that diffusion could matter at both these stages of the policy process and examine whether the manner differs in which broad concepts and detailed ideas diffuse.

The existing international relations literature offers much useful information on the roles experts and international organizations play in formulating agreements. The diffusion literature discussed above may complement this knowledge by explaining how such agents translate international agreements into domestic policy change. To the extent that international organizations and international expert networks perform similar diffusion tasks, international organization activity may be less needed when professional networks are strong. Thus, for instance, the proposed OMC for health policy might have a smaller impact than coordination efforts for other social services, insofar as health profes-

\textsuperscript{76} See Falkner et al., supra note 8.

\textsuperscript{77} See Berry & Berry, supra note 34.

sionals already share substantial common training and interact more cross-nationally than their counterparts in related fields.

Finally, the literature on policy stages may hint at places to look for OMC effects. As writers on the OMC have often warned, it may be too early to look for results in terms of new policies. But if governments are discussing new EU-inspired ideas, and one takes into account political science literature on the importance of agenda setting on later policy choices, these broader discussions can count as OMC successes.

Indeed, studies of the OMC in almost every country suggest that governments are discussing it and are bringing new actors to the table in light of OMC requirements. Anti-poverty NGOs, rarely part of national debates prior to the OMC, have now become standard participants in U.K. debates. The OMC can also bring actors who have stopped negotiating back to the table — for example, in Sweden, following the employers’ decision to withdraw from all national wage-setting bodies in 1991, and the dissolution of these bodies in 1992, the OMC served as a useful mechanism to bring employers and employees back to negotiations.

III. Conclusions

The literatures on diffusion, policy transfer, policymaking, and international organizations discussed above offer both substantive and methodological guidance on how to examine the OMC as the evidence comes in. Here is a summary of the substantive guidance offered. Modernizers, who have reached consensus on a general policy direction, especially when they face competitive pressures, are most likely to innovate. High-status, theorized, and proven policies with certain types of externalities are more likely to spread. Countries will likely copy high-fit and high-proximity plans, though the EU may be redefining proximity, and institutional fit may only be helpful to a point, after which it comes at the expense of flexibility. Imitation is likely to be channeled through professional networks and international organizations, and imitation may be especially important at the early, agenda-setting stages of a process as well as in shaping policy details.

Unfortunately, the literature on learning is not developed enough to offer many law-like regularities — the statements above can only serve as starting points for further investigation. The proximity thesis, likely the most solid of the above claims, is among the few where finding a

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79 See Kenneth A. Armstrong, How Open is the United Kingdom to the OMC Process on Social Inclusion?, in The Open Method of Co-ordination in Action, supra note 9, at 287, 302–08.
80 See Jacobsson, supra note 46, at 116–17.
deviation from the rule may be as exciting as noting its observance. Fortunately, diffusion and related literatures offer a variety of methodological tools to aid in a search for more solid theses.

Analytically, a study of imitation must first demonstrate some degree of convergence, either between an international organization's proposal and national policy, or between two countries' choices. This need not be an overall movement toward a single policy, as the modernization literatures or world polity literatures might suggest. Several competing models may diffuse in a single policy area. Second, diffusion scholars must show that commonality is not due to factors present and operating independently in each country making a particular choice. Third, analysts must show that diffusion is occurring and explain this process.

Diffusion scholars are often better at demonstrating convergence than at demonstrating an imitation process at work. Nonetheless, important insights can be gained about how to study the process of diffusion even when only a few studies convincingly show that convergence results from imitation. While some quantitative studies present evidence that neighbors adopt similar policies, others also show that prior adoption influences the probability of later adoption. Quantitative studies that employ dummies such as presence in a region or membership in an international organization show clear similarities between the choices of neighbors, while suggesting that cross-national learning may be a reason behind this similarity. In areas where the structural similarities are especially peculiar, or the mismatch between policy and national needs is high, this approach can be effective. However, where the adoption of similar policies could also be attributed to similar pressures, this type of evidence does not suffice to demonstrate diffusion. Nonetheless, if scholars of the OMC could show convergence, this would be quite a feat, because the types of policies promoted through the OMC are often at odds with the outcomes at which unchecked market forces might converge. While the EU's central focus on eliminating social programs that function as trade barriers, coupled with the recent constraints the European Monetary Union put on governments' abilities to solve social issues through monetary and fiscal policy, push in the conservative direction, the OMC's focus on employment and inclusion is a welcome counterforce.

Second, a large set of studies presents evidence that prior adoption increases the probability of later adoption. Frances Berry and William Berry usefully summarize the literature on diffusion across the American states, indicating why the event history models used in the 1990s adequately distinguish spurious from actual diffusion. Spatial econo-

81 See Berry & Berry, supra note 34.
metrics models, recently applied in political science, are also convincing in showing that neighbors’ choices influence one another.82

For more qualitatively oriented researchers, methods employed in the policy transfer and imitation literatures can again serve as useful starting points. David Dolowitz’s analysis of U.S.-U.K. policy transfer is a persuasive example of qualitative work documenting the process of transfer.83 However, applying process tracing methods to the study of idea transfer may be difficult. Respondents cannot often tell, let alone remember, where their ideas come from. Moreover, a foreign idea may need to travel through multiple pathways before it successfully enters a national agenda.

Some scholars on imitation, however, have succeeded in turning these complications into strengths by richly documenting variations in imitation processes. Eleanor Westney takes on the challenge that imitators may sometimes want to claim credit for copying modern foreign ideas and at other times may see imitation as a slavish process to be concealed. She traces how Japanese officials in the early Meiji period were inspired by Western models and then used the Western template to legitimate policy adoption, but in the late Meiji period, inspirations from the West were generally defended in terms of their fit with Japanese traditions.84 Daniel Rodgers indicates that policy diffusion may not be proportionate to information flows. He recounts how, in the late nineteenth century, U.S. political leaders made great use of the scarce information on European social models, but a few decades later, voluminous information on European models was collected, without becoming politically relevant.85

The research discussed above indicates that the OMC could matter substantially. Political scientists unconcerned about spatial patterns as such have good reason to pay attention to cross-national learning processes. Good indications exist, at least since the 1975 Collier and Mesdick study, that latecomers adopt policies under different conditions than pioneers. Some research on the United States also suggests that late adopters take on systematically different types of policies, such as more comprehensive legislation.86 The research discussed above also

82 See Franzese & Hays, supra note 56; Simmons & Elkins, supra note 44; Lee & Strang, supra note 37.
85 See RODGERS, supra note 36.
suggests where the OMC may matter most and how one can look for such effects. One expects EU efforts to promote cross-national learning to have the biggest effects when they reinforce preexisting diffusion channels. Specifically, change should occur when EU efforts tap into expert networks, both for the theorization and for the dissemination of ideas, and when the ideas promoted fit with national systems. If, however, new and potentially disruptive ideas are to be introduced through EU processes, flexible strategies are advisable, as the recruitment of local advocates is critical to successful transplantation. One should expect the OMC to matter most in countries with high capacities to process EU ideas. Additionally, countries eager to modernize are fast learners. Though studies of other times and places can only provide starting hypotheses for OMC researchers, hopefully these studies will inspire emulation.