# P18 / What Does Comparative Policy Analysis Have to Do With the Structure-Institution-Agency Debate?

**Topic :** COMPARATIVE PUBLIC POLICY

**Chair :** Caner Bakir (Koc University)

**Second Chair :** Mehmet Kerem Coban (SOAS, University of London)

**Third Chair :** Sinan Akgunay

## GENERAL OBJECTIVES, RESEARCH QUESTIONS AND SCIENTIFIC RELEVANCE

Comparative policy analysis (CPA) takes into account key structural, institutional and agency-level differences among countries over time in its widely accepted research strategy. This is because interactions among structures (broader material and cultural contexts within which institutions and actors are embedded), institutions (formal and informal rules that inform the actions of actors), and actors (individuals, organizations and/or collective entities) inform CPA. Yet CPA scholars rarely acknowledge, much less explore, such interactions among these interdependent factors. In common parlance, the terms ‘structure’, ‘institution’ and ‘organization’ are often combined and/or conflated. Notwithstanding, it is important to distinguish between them for academic purposes in order to analyze their relationship, interactions and influence. To do so, it is crucial to go beyond ‘context matters’ and to explore some of the interrelated dynamics informing CPA. This is exactly what the panel aims to do. This panel calls for original contributions that shed light on how, where, when and why structural, institutional and agency-level factors inform policy analysis.

The goals of this Panel are threefold: (1) to encourage empirical and theoretical interest in the structural, institutional and agency-level factors that inform CPA comparative perspectives, focusing on different levels of analysis, and applying different research methodologies; (2) to build richly contextualized, interdisciplinary and comparative conceptual or theoretical foundations for analysis and research; and (3) to stimulate further comparative empirical policy research that uses original data and focuses on, for example, comparative analysis of countries or cases in the policy domains. This involves examination of the impact of structural, institutional and agency-related factors affecting policy analysis at the national, the supranational, regional, or actor levels of analysis.

Given the limited attention paid to the individual and joint effects of structures, institutions and actors on policy analysis, this call for papers is purposefully broad. What is critical is to build bridges between the public policy and institutional scholarship, by using CPA in order to help develop new empirical and/or theoretical insights.

## CALL FOR PAPERS

See General Objectives

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## Session 1What Does Comparative Policy Analysis Have to Do With the Structure-Institution-Agency Debate?

Thursday, June 27th 16:30 to 18:30 (MB 3.255)

### Bridging Structures, Institutions and Agents in Comparative Policy Analysis

Caner Bakir (Koc University)

Michael Howlett (Simon Fraser University)

Darryl Jarvis (Hong Kong Institute of Education)

How structures, institutions and agents inform comparative policy analysis (CPA) is a persistent and intriguing question for institutional scholars and policy scientists worldwide. In this context, although considerable research has recently focused on structural, institutional, and agency-level factors in explaining policy design, implementation, policy styles and policy outcomes, it mostly offered each of these explanatory factors in isolation, thus leaving interactions among these interrelated factors incomplete. For example, a country's 'policy styles' as political and administrative routines and behaviours have structural origins in the historical configurations of administrative and decision-making/representative systems which are embodied in existing institutional arrangements which, in turn, constrain (or enable) and channel and agent's actions in national policy-making. This paper aims to highlight value of linking structures, institutions and agents in CPA with special reference to policy styles. It argues that their conceptual clarification will advance our existing conceptual, theoretical and empirical knowledge in CPA.

### RECONSIDERING THE FISCAL WAR IN BRAZIL: A morphogenetic analysis of industrial policy-making

Marcelo Gouveia Moreira (EloGroup Consultoria e Desenvolvimento)

**RECONSIDERING THE FISCAL WAR IN BRAZIL: A morphogenetic analysis of industrial policy-making**

The fiscal war is a fiscal-federalist problem that has persisted in Brazil for decades, increasingly generating conflicts among its constituent states, which have been manifested mainly through their competitive use of tax breaks and related financial benefits for FDI attraction and industrial development policy. Despite the pervasiveness of the problem, it is surprising how policy-makers and scholars have repeatedly resorted to mainstream positivist epistemologies to address the issue, restricting analysis basically to the lock-in of constitutional and regulatory settings enabling the fiscal war (e.g. Kugelmas and Sola 1999; Souza 2005); and to the economic bounded rationality of actors engaged in it (e.g. Rodriguez-Pose and Arbix 2001; Nascimento 2008). These analyses incur in problems that cloud analytical time perspective, explanatory depth and, ultimately, the correct situation of the problem along with the identification of viable solutions to it.

Therefore, to face the question at stake - what are the underlying conditions that allow for the persistence of the fiscal war in the Brazilian federation since the Constitution of 1988? - this paper intends to propose a move beyond mainstream epistemologies to an ontologically deep analysis of this policy problem, drawing on Archer's (1995) Morphogenetic Approach, and looking at the historically situated dialectic interplay between material and ideational structures as mediated by subnational State agents to assess the

persistence of the fiscal war in Brazil.

Unlike the currently available literature, the Morphogenetic Approach provides resources for a case-study analysis that does not conflate necessary and contingent relations between structural conditioners with agential ‘efficient’ causality. Rather, it allows for a retroductive assessment of the structural material and ideational mechanisms that conditioned the contingent relations between Brazilian States, through their economic and industrial development policy-making, leading up to their 'actualization' of the fiscal war behavior that has been increasingly observed since 1988.

Finally, by analyzing the case of the fiscal war phenomenon in Brazil, this paper aims at providing an inherently different and ontologically deep explanation for its emergence and reproduction by State agents, and by doing so to contribute with innovative methodologies for policy analysis that may bring new insights and potential solutions for vexing social problems.

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## Heterarchism: Toward Paradigm Shift in World Politics

Rosalba Belmonte (University of Perugia )

Philip Cerny (University of Manchester)

Rosalba Belmonte (University of Perugia) and Philip G. Cerny (University of Manchester and Rutgers-Newark)

Heterarchism: Toward Paradigm Shift in World Politics

"International Relations" theory has been dominated since the study of IR formally began at the University of Wales, Aberystwyth, in 1919. There have in recent decades been three mainstream "competing paradigms" (Wolin 1966), realism, liberalism and constructivism, all of which assume that the dominant independent variables are states and the inter-state system -- what could be called methodological state-centrism. We argue that this way of conceiving world politics was (a) always problematic (Cerny 1990) and challengeable, and (b) time-bound and increasingly anachronistic. Since the mid-20th century, a dialectic of globalization and fragmentation -- political, economic and social processes above, below and cutting across states -- has caught states and the interstate system in a complex evolution or process of restructuration toward what has been called "heterarchy." Heterarchy is defined as the coexistence and conflict between differently structured micro- and meso quasi-hierarchies that compete and overlap not only across borders but also across economic-financial sectors and social groupings, leading to a process of restructuration that empowers strategically situated agents in multi-nodal competing institutions with overlapping jurisdictions. The core of this process is the triangulation of (a) the "disaggregated state" (Slaughter 2004), (b) fragmented global governance and "regime complexes" (Alter and Raustiala 2018), and (c) "sectoral differentiation" in the international political economy, leading to a spectrum of market/hierarchy (Williamson 1975) or public/private de facto policymaking processes and diverse types of "mutual capture" between a range of private actors and meso- and micro-state hierarchies. The result is the decreasing capacity of macro-states to control both domestic and transnational political/economic processes and/or to act as Waltzian "unit actors" in world politics. This requires a new and robust competing paradigm that we call "heterarchism."

**At the crossroads of country ownership and accountability in global aid effectiveness policy: the role of the Forum Secretariat, the regional organisation as intermediary between domestic and regional instrument constituencies in the Pacific**

Suzanne O'Neill (Department of Pacific Affairs College of Asia and the Pacific Australian National University )

Since the Marshall Plan was proposed as the answer to post-war Europe's reconstruction, nation-states have negotiated global aid agreements which offer 'universal solutions' to local problems – but do these global agreements necessarily understand what drives successful policy change in local contexts?

My paper draws from my ongoing doctoral research which problematises the development paradigm underpinning global aid effectiveness agreements of the last two or more decades by exploring what the idea of 'Country Ownership' meant for local constituencies in three Pacific countries; and how this idea influenced implementation of the Forum Compact for Development Cooperation, the regional iteration of the 2005 Paris Declaration on Aid Effectiveness, agreed by the Pacific's regional leaders at their Forum meeting in 2009.

My research draws on interpretive policy analysis to conduct fieldwork across five case studies: three Pacific countries; the key regional donor; and the Forum Secretariat, the premier political regional organisation in the Pacific (Yanow & Schwartz-Shea 2014). Questioning the explanatory power of the policy transfer model, my analysis identified themes and narratives through the lens of the policy translation literature (Stone 2012; Pal & Ireland 2009). I explored the evidence of local actors' re-negotiation of the 'soft' and 'hard' stuff of policy that constitutes and demonstrates the shift in power dynamics necessary for effective policy translation. I looked for evidence of bargaining, reflexive learning, and innovation, to reveal how local actors understood and accepted the Compact; and demonstrated the capacity and confidence to legitimize and enact it. Representing 15 member-states across the Pacific, the role of the Pacific Islands Forum Secretariat, as the assigned intermediary of policy instruments and standards across transnational and domestic constituencies, was a key focus of my examination.

The global aid effectiveness reforms were premised on the argument that development faced a collective action problem whose answer demanded stronger domestic institutions, not more foreign aid. Country Ownership, through participation, was the incentive to enact domestic processes for prioritising development needs and effectively and efficiently managing finances, particularly foreign aid (Ostrom et al, 2005).

My paper argues that the norms underpinning this policy carried implicit assumptions about the values and beliefs that would drive change which were not always shared by national and transnational actors, despite the Pacific Forum Leaders' agreement. The three Pacific countries, framing 'Country Ownership' as equality, self-reliance or political autonomy, were trying to solve the problem of who makes decisions, about what resources, and when, within their boundaries: a sovereignty problem. In contrast, Australia, as the key donor in the region, was seeking to enact policy instruments to regulate and account for public finances across transnational boundaries to reduce administration and align fellow-donors, to improve how aid is managed: a problem of accountability to their domestic taxpayers and alliance-making.

Funded by the key donor, and focused on coordination and standards-setting, the Secretariat was perceived by countries to play a complementary rather than expert or authoritative role as intermediary in the mismatch between domestic and transnational constituencies. In the choice between donors and countries' aspirations for the policy, the Forum Secretariat lacked credibility and authority with its Pacificmember countries – while meeting its donor-funder's expectations. This, I argue, diminished the Secretariat's potential to draw on the Compact to also meet its broader mandate: to develop a legitimate and cohesive vision for Pacific regionalism across its multiple, transnational constituencies. This finding has implications for the idea of transnational partnerships for development still current in the Sustainable Development Goals.

**Diffusion of Financial Stability Committees after the 2008 Crisis: Orchestration in Global Governance and the Role of Instrument Constituencies**

Sinan Akgunay

Caner Bakir (Koc University)

Mehmet Kerem Coban (SOAS, University of London)

Public policymaking has become so internationalised that domestic and global policymaking are tightly

knitted. Such an environment provides opportunity structures for policy ideas and global public policies to diffuse into the domestic level. For policy diffusion, ‘translation’ of global policies is necessary, which requires close examination of which actors lead the process, how and under what conditions they can materialise policy diffusion. This article studies diffusion of financial stability committees (FSCs) which were suggested by international financial organisations after the 2008 crisis with the aim of strengthening coordination between domestic authorities steering systemic risk, while achieving cross-border regulatory cooperation indirectly by monitoring systemic risk at the domestic level. Public policy, international political economy scholars have reflected intensively on policy and institutional change at different levels after the crisis, but we do not know much about how and why FSCs were formed all the over world, although this is a significant issue because diffusion of FSC is a successful case of orchestration in global governance by international financial organisations. This article addresses that gap with an in-depth examination of the Turkish context. With its membership of the transnational instrument constituency led by international financial organisations, organisational policy capacity, and institutional entrepreneurship, the Central Bank mediates the diffusion process. The article shows that the Central Bank formed a domestic instrument constituency that included the government and other macroeconomic bureaucracies for the establishment of the FSC in Turkey. The article contributes to our understanding of how instrument constituencies could link the domestic and international levels, initiate institutional change at the domestic level, and contribute to orchestration at the global level.