

Policy Diffusion: Mechanisms and Practical Implications

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Abstract

Policy diffusion means that policies in one unit (country, state, city, etc.) are influenced by the policies of other units. A large literature has studied this phenomenon by trying to identify the mechanisms driving policy diffusion, typically distinguishing between learning (policy makers are influenced by the success or failure of policies elsewhere), competition (policy makers are influenced by the policies of other units with which they compete for resources), and emulation (policy makers are influenced by the perceived appropriateness of policies). According to the classic model of diffusion, successful policies spread because decision makers evaluate the policy consequences they observe in other units. However, building on the findings of the more recent diffusion literature, this paper shows that diffusion is better understood as a political rather than a technocratic process. We explore several political dynamics driving diffusion such as ideologically biased evaluations, perceived (not real) competition, and learning from political consequences. Using the policy cycle framework, the paper concludes with a comparison of technocratic and political diffusion, including a discussion of practical implications.

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1 Introduction

In an ever more interdependent world, policy diffusion has become a defining feature of politics. Countless diffusion phenomena are in the news spotlight and shape the everyday lives of people all over the globe. Prominent examples are the diffusion of free market policies, protests in the Arab spring, and the recent raise of national conservative forces in the advanced world. A vast and growing scholarly literature sheds light on these processes with rich and detailed accounts of how policies spread. This paper takes stock of the findings of the more recent literature by summarizing the main mechanisms as well as the practical implications of policy diffusion. The main contribution of this analysis is that we show how the more recent findings of the literature deviate from the classic model of diffusion.

The literature distinguishes between learning, competition, and emulation as the three dominant mechanisms of diffusion. These three mechanisms summarize the main forces of diffusion as policy makers are influenced a) by the success or failure of policies elsewhere, b) by policies of other units with which they compete for resources, and c) by the perceived appropriateness of policies. The classic model of diffusion, to which we refer as the technocratic model of diffusion, emphasizes one particular pathway of diffusion, namely that successful policies spread because decision makers evaluate the policy consequences they observe in other units. This technocratic and benevolent model of diffusion is particularly well studied in the literature on diffusion in federal states, where subnational units can function as policy laboratories. However, the findings of the more recent policy diffusion literature show that policy diffusion processes are usually driven by political dynamics, rather than technocratic evaluations.

We explore this other side of diffusion by discussing several mechanisms that are in contrast to the idea that diffusion prioritizes the spread of best practice. First, the diffusion of policies is not restricted to successful policies because policymakers also pay attention to the political effects of policies. Second, policy learning is heavily mediated by politics, and decision makers filter the policy experience of others through their ideological stances. Third, policies are also promoted at the problem definition stage, when the nature, causes, and solutions of problems are discussed. Finally, policy makers react to the decisions of others also based on assumptions that are empirically false.

All of these mechanisms suggest that diffusion is a political process, rather than technical. We elaborate on the practical implications of diffusion by discussing the main dynamics of technical and political diffusion using the policy cycle framework.

The remainder of this paper is structured as follows: Section 2 and 3 discuss diffusion mechanisms and practical implications; Section 4 explores the other side of diffusion, contrasting the more recent findings of the literature with the conventional model of diffusion; and the concluding Section 5 further conceptualizes the processes of technocratic and political diffusion.

2 Policy Diffusion and Its Mechanisms

At the core of the policy diffusion literature is the question of why and how policy makers react to decisions made elsewhere. This focus has been introduced by the work of Simmons, Dobbin and Garrett (2006), which have set the conceptual stage for an abundant and still growing literature on policy diffusion. With the exception of the diffusion mechanism of coercion, which stipulates that policies are introduced because powerful countries or international organizations enforce adoptions, all diffusion mechanisms theorize the spread of policies as a process of interdependent policy making. Coercion deviates from the definition of diffusion as interdependent policy making, as it implies that policy makers are passively translating enforced pressure into policies. It is precisely because of the functional nature of coercion that some scholars argue that coercion is in a strict sense not a mechanism of diffusion because coercion ignores a key element of interdependence, namely, the motivation for policy adoption of decision makers in the reacting country (Gilardi, 2013; Wasserfallen, 2017). We follow this more distinct definition and conceptualize diffusion as interdependent policy making.

Simmons, Dobbin and Garrett (2006, 787) further add in their seminal contribution that the “[t]heories of diffusion encompass a wide array of assumptions about who the primary actors are, what motivates their behavior, the nature and extent of the information on which they base decisions, and their ultimate goals.” Thus, in a nutshell, diffusion researchers analyze through which mechanism of information processing government officials are influenced by prior decisions made elsewhere. Most important, for the purpose of this article, is that diffusion scholars investigate how decision makers

react to prior policy decisions in other countries (cities or states), while government officials are usually theorized as the key actors in this process. The question then is what type of information are policy makers processing and what kind of inference are they making?

Although many different labels have been used in the literature, most of the processes of diffusion are versions of learning, emulation or competition. The study of these three mechanisms has been particularly productive as they provide a large continuum of behavioral motivations of policy makers from very rational fact-based assessments, to less intentional and bounded reactions, to even simple imitations that are totally detached from objective features of the policies. In that sense, the three mechanisms are not only distinct from one another, the theoretical and empirical findings of the literature have also further nuanced our understanding of each single mechanism. For example, the work on learning covers the whole range from very rational to very biased forms of diffusion—with many interesting versions in-between.

2.1 Learning

The conventional reference to learning in diffusion builds on the idea that decision makers analyse the consequences of policies that are enacted elsewhere. They then make policy decisions based on the information gathered from that analysis. This argument is particularly prominent in the study of federal system (Gray, 1973; Volden, 2006). Many scholars have emphasized the advantage of decentralization, as a polity structure that provides the opportunity for policy experiments and innovation. According to this account, policy makers systematically assess the multiple policy experiences that are implemented in the various subnational units. As a result of this process of policy innovation and careful evaluation, successful new policies gain acceptance and spread.

This model of (rational) learning makes the assumption that policy makers systematically gather and assess information on policy consequences (Meseguer, 2006). A more realistic characterization of rational learning, however, builds on the Bayesian updating analogy according to which policy makers have certain priors on the likely effects of policies and then update them based on the information that they gather from the experience of others. Building on the work of Tversky and Kahneman (1974), a more recent strand of the literature deviates even more strongly from the assumption of

rational learning by studying bounded learning processes. These studies argue that policy makers rely on cognitive shortcuts in both the gathering and the assessment of policy information (Weyland, 2005; Bamert, Gilardi and Wasserfallen, 2015). The processing of information may be biased toward very visible or seemingly representative examples.

An additional important question, besides how policy makers learn, is what type of information they are processing. Gilardi (2010) expands the literature by showing that policy makers do not only learn from information on policy effects, but also from political (particularly electoral) consequences. Also, his study suggests that policy makers filter the evaluation of policy and political consequences through the lenses of their ideological stances (Volden, 2006). For example, conservative governments may strongly rely on evidence from other units suggesting that cuts in welfare spending have no negative electoral consequences and increase economic growth, while ignoring information suggesting the opposite. Using again the analogy of the Bayesian updating, policy makers with strong (ideological) priors will on selectively process information from elsewhere. In sum, the diffusion literature has advanced our understanding of learning by providing nuanced accounts on the question of how policy makers process information from rational learning to Bayesian updating and bounded learning.

2.2 Competition

Competition builds on the idea that policy makers enact policies aiming to attract investment and taxable resources. According to the basic models of competition, people, business and investors usually consider several countries or subnational units as potential locations for their residence and activity—that is, they are mobile and make decisions (also) based on the analysis of tax and policy differentials. Therefore, policy makers, aiming to attract the mobile resources, monitor the economic, financial and tax policies of other units that they consider to be their competitors. They react to the policy changes of these competitors by trying to remain or become more attractive for business, investment and people.

The quintessential example is competition for taxable resources. Similar to the classic diffusion literature on learning, the early fiscal federalism literature has praised the supremacy of decentralized

governance structures exactly because the mobility of people and business would keep policy makers fiscally disciplined and responsive to their constituencies (Tiebout, 1956). This is, of course, a controversial argument. A large strand of the literature has made the counter point that tax competition is not welfare enhancing. Rather, it would lead to a dysfunctional race-to-the-bottom and to an under-provision of public goods (Oates, 2001). More recent empirical research has studied the conditionality of international and subnational tax competition dynamics by showing that several political, fiscal and institutional factors constrain a race-to-the-bottom such as labor-market institutions, electoral systems, veto players, budget constraints, equity norms and institutionalized intergovernmental cooperation (Hays, 2003; Basinger and Hallerberg, 2004; Plümper, Troeger and Winner, 2009; Gilardi and Wasserfallen, 2016). In addition, there is also evidence that small units with a good strategic location accelerate tax competition (Dehejia and Genschel, 1998; Wasserfallen, 2014).

A defining feature of the diffusion literature on competition is the quite sophisticated empirical modelling of interdependence. Building on Simmons and Elkins (2004), who have used nuanced trade data for testing whether countries become more likely to adopt liberal economic policies after such reforms have been enacted by trade competitors, many theoretically informed measures of interdependence have been introduced—from proximity in IGO networks to capital flows or commuter data (Beck, Gleditsch and Beardsley, 2006; Cao and Prakash, 2012; Gilardi and Wasserfallen, 2016). Also, the above-mentioned institutional and political constraints of a race-to-the-bottom in taxation have been studied empirically with interaction effects that test whether the units that theoretical accounts identify as either brakeman or accelerator are indeed are more or less responsive to tax changes of competitors.

Besides the work on tax and investments competition, diffusion scholars have also explored competition in regulatory and social standards, often studying the so-called California effect as alternative explanation to the race-to-the-bottom hypothesis. The name of the California effect originates from Vogel's (1997) study on automobile emission standards in the U.S., where automobile producers enacted the (comparatively) high standards of California because they did not want to lose that sales market. Further research found similar race-to-the-top effects in the case of process

standards and labor rights (Prakash and Potoski, 2006; Greenhill, Mosley and Prakash, 2009). Overall, similar as in the case of learning, the recent scholarship has moved well beyond basic models of competition, and several methodological contributions have significantly advanced the empirical methods of modelling interdependent policy making.

2.3 Emulation

Inspired by sociological research and constructivism, the diffusion mechanism of emulation focuses on the social construction of appropriate policies (as a contrast to objective properties of policies). Accordingly, norms and conventions are socially constructed, and policy makers conform to these norms with the adoption of appropriate policies (Tolbert and Zucker, 1983; March and Olsen, 1998; Finnemore and Sikkink, 2001). Prominent examples are the study of educational and human rights policies (Meyer, Ramirez and Nuhoglu, 1992; Simmons, 2009). Furthermore, the mechanism of emulation is particularly important for understanding widespread global diffusion, where, by definition, policies are adopted by a very heterogeneous group of countries. There are distinctive features of emulation. For example, an underlying constructed norm that a policy is genuinely appropriate may be a necessary condition for its global spread. Also, adoptions in the later stage of the diffusion process are more likely to follow emulation dynamics, as the adoptions by many countries themselves is a sign of the socially constructed appropriateness of a policy.

How exactly the process of social construction unfolds is difficult to trace. In diffusion research, scholars have developed different empirical strategies that often integrate related sociological or public policy frameworks. For example, the number of adopting countries and the adoption by leading countries have been used as empirical measures, following the argument that the more powerful an adopting country and the larger the number of adopters, the stronger is the signal that a policy is perceived to be appropriate. Relying more on public policy frameworks, scholars emphasizing agency (rather than structure or power) build on well-known concepts such as epistemic communities, arguing that the advocacy of a policy by powerful experts is a key factor in the process of social construction (Haas, 1992; Finnemore and Sikkink, 1998).

Related to that, some constructivists have focused on international agencies, non-governmental

organizations and international organizations as venues where the norms fostering the appropriateness of policies are constructed and diffusion promoted (Bearce and Bondanella, 2007). Despite progress in the literature, both the social construction of a norm and the adoption of policies as norm-conforming behavior are empirically difficult to identify. In any case, the diffusion work on emulation has provided an important corrective to learning and competition frameworks, and has inspired much of the above discussed work that further nuanced learning and competition as more complex mechanisms that are not simply theorizing objective rational (re)actions of policy makers.

3 Practical Implications

Section 2 emphasizes that diffusion research is about understanding the motives of policy makers in their reaction to policy choices elsewhere. This is also key as far as the practical implications are concerned. In Section 4, we will argue that there are several ways how diffusion can be detrimental to policymaking. In this section, however, we first focus on how practitioners can leverage diffusion to improve policies. Specifically, Shipan and Volden (2012) identify seven lessons of policy diffusion research for policymakers and other practitioners.

First, policy diffusion goes beyond geographic proximity. Arguably, the focus of much diffusion research on the geographic clustering of policy has as more to do with convenience—geography is easy to measure—than with the undeniable fact that physical proximity matters for many social and political phenomena. However, since policies do not diffuse only among geographically close governments, it would be a mistake for policymakers to limit their attention to their immediate neighbors, as is often the case.

Second, when allowed to, governments compete with one another. However, the nature and extent of competition can be misperceived and exaggerated, as we will argue in Section 4.3. Therefore, policymakers should strive to achieve an accurate understanding of the kinds of competitive dynamics they find themselves in. On the one hand, they need to accept that many policies are affected by the strategic actions of many individuals and groups. On the other hand, they should be aware that they may be creating competitive dynamics as much as they are reacting to them. Competition is not (always) a force of nature.

Third, governments have the opportunity to learn from one another. Of course, this idea is often put forward as a significant advantage of federal systems. To paraphrase Justice Brandeis, decentralization makes it possible to try out innovative ideas at a small scale, from which other governments can then learn. In other words, subnational units can function as policy laboratories. Most policymakers are aware of this and pride themselves in adopting best practices, or being innovators themselves. However, it would be a mistake to reduce learning to a pure technocratic exercise, in which the best solutions are invented and then spread. We will discuss the dark side of learning in Section 4.1.

Fourth, policy diffusion is mediated by institutions. Governments with more resources are better placed to take advantage of the policies of other jurisdictions by developing more adequate reactions to competitive dynamics or integrating new information more effectively. Diffusion can be channeled by the networks in which governments are embedded, which can help their members make the most of shared information and experiences. In fact, information exchange or benchmarking are often explicit goals of intergovernmental networks, which can also have a more direct impact on diffusion through policy coordination or harmonization.

Fifth, not all policies diffuse in the same way. Their characteristics matter. Simple policies that do not require major changes spread more quickly than complex policies needing wide-ranging reforms. It also helps if a policy and its consequences are easily observed. While these patterns are relatively intuitive, they imply that the potential of diffusion to improve the quality of policymaking may be limited to areas where conditions are favorable.

Sixth, it is important to bear in mind that policy diffusion is premised on decentralization—centralization is the enemy of diffusion. However, diffusion is neither automatic nor necessarily beneficial. There is no guarantee that the policies that diffuse are best practices or otherwise desirable. Fundamentally, what is good or bad is always politically contested, so that there will always be at least some degree of contestation surrounding the outcomes of policy diffusion. We turn to these issues in the next section.

4 The Other Side of Diffusion

4.1 The Dark Side of Learning

On the one hand, normative justifications of decentralization suggest an almost spontaneous emergence and diffusion of good policies, whereby what works spreads widely and what does not is killed in the cradle or remains confined to a specific jurisdiction. On the other hand, the concept of policy learning is sometimes criticized as technocratic, implying the smooth diffusion of best practices defined by experts, disconnected from politics. Both perspectives are misguided, or at least partial.

First, it is entirely possible that bad policies spread. In fact, it happens all the time. As discussed in Section 2.1, one of the dimensions of learning is political. Policymakers pay as much attention to the political effects of policies (do they please their constituency? Do they threaten their re-election?) as to their policy effects (do they help solve the problem they were designed to address?). If the former dominates, popular policies that do nothing to solve actual problems, or may even be counterproductive, can spread very widely as policymakers learn that a given idea is a good way to enhance their political profile or support. A good example is the diffusion of burqa bans in Switzerland and beyond. The policy was initiated in the Italian-speaking Canton of Ticino—a region in which burqas are worn almost exclusively by rich tourists from the Middle East. In a direct-democratic vote, the ban was accepted by 65.4% of voters. Although Ticino is usually not a leader within Switzerland, politicians in other cantons quickly put forward similar legislation and even launched a nation-wide popular initiative. Clearly, the strong support for the ban in one canton sent a powerful signal regarding the popularity of the policy and its potential for politicians to make themselves visible. Beyond the content of the policy, the diffusion process affected also how its framing in terms of “showing one’s face” being a core value of Western societies, which was taken up by Angela Merkel when she floated a similar ban in December 2016. Does everyone agree that a burqa ban is a “bad” policy? Of course not. There can be reasonable disagreement on the merits of the policy. And this is part of the point: what is good or bad is essentially contested. Therefore, it would be a mistake to see policy learning either as a technocratic tool or a reward for allowing extensive experimentation at the local level.

Second, policy learning is heavily mediated by politics. Policymakers can be heavily biased against policies countering their ideology and unwilling to learn from them (Butler et al., 2017). Moreover, they take more cues from their co-partisans than from governments controlled by the opposing party. These patterns will only be strengthened by increasing polarization and a political debate in which basic facts become increasingly contested.

Third, as Karch et al. (2016) rightly argue, there is a tendency in diffusion research to focus on policies that spread widely. Policies that are widely adopted are more visible and salient. Moreover, a moderate number of adoptions is necessary for conventional statistical analyses. However, this focus introduced a selection bias. Our knowledge of policy diffusion is based on a specific subset of policies—those that are widely adopted. Policymakers may well be prone to the same bias, relying on biased samples of policies to assess their desirability. The problem is compounded by the natural tendency we have to be inspired by particularly prominent examples, either of successes or failures, but mostly of successes. As discussed in Section 2.1, this kind of bounded learning typically leads to wrong or at least inaccurate conclusions. Therefore, even if policymakers are not distracted by political considerations, there is no guarantee that policy learning is conducive to the spread of good policies.

4.2 Diffusion Can Change the Terms of the Political Debate—for Better or for Worse

The most powerful way in which diffusion can shape policymaking is by changing the terms of the political debate, making some ideas taboo or, on the contrary, increasing their acceptance in the mainstream political discourse. The literature has focused mostly on the former—the diffusion of norms such as the abolition of the death penalty—but the logic cuts both ways and is highly relevant for understanding the dark side of diffusion. In other words, diffusion influences policymaking well before the adoption stage—at the problem definition stage, when the nature, causes, and solutions of problems are discussed from competing perspectives. Events such as Brexit or the nomination of Donald Trump (not to speak of its election) have emboldened the expressions of views previously thought to be radical or even taboo, which has drastically changed the way problems are understood.

While these are extreme examples, the phenomenon occurs also at smaller scales. The burqa ban is again a case in point. Previously—and until recently—perceived as a radical and unnecessary measure, it has gained broad acceptance and has made it possible to discuss further steps in the same direction. However, it is important to see that the same outcomes are possible also for liberal policies such as same-sex marriage or the liberalization of marijuana. The broader point is threefold. First, as already mentioned, diffusion can enable all sorts of policies to spread. Second, whether the outcome of the diffusion process is good or bad is in the eyes of the beholder—most policy are political contested. Three, the early stages of the policy cycle, those in which a given definition of the problem gains the upper hand, can be affected by diffusion with profound consequences. In the age of “post-truth” politics, this step is bound to gain salience.

4.3 Diffusion as Self-Fulfilling Prophecy

As Section 2 outlines, the key trigger for diffusion is that policy makers react to policy choices from elsewhere. However, as the literature on learning already suggests, policy makers may not gather and process information on policy consequences systematically. Similarly, some literature on tax competition suggests that the inferences of policy makers driving competition could be based on false assumptions regarding the behavior of individuals and businesses.

The assumption underlying models of tax competition is that the tax base is mobile. Using economic terms, the key determinant driving tax competition in theoretical models is the elasticity of the tax base. The more people and businesses react to already small changes of the tax differentials with relocations, the more elastic (i.e., mobile) is a tax base; and the more elastic a tax base is, the more competition should we observe. However, the empirical literature provides evidence that the real world deviates from this straightforward formal logic. Whereas several studies have found abundant evidence of international tax competition for foreign direct investment, Jensen (2012) finds no evidence that the investment decisions of firms are correlated with corporate tax rate changes. Accordingly, foreign direct investments may, if at all, not be very sensitive to tax rate changes, but policy makers nevertheless compete for it.

In a study of bequest taxation in Switzerland, Brülhart and Parchet (2014) show that almost all

subnational units (i.e., cantons) have, in a diffusion-like process, abandoned or significantly lower bequest taxation since the 1980s. By far the number one argument that proponents of these reforms put forward in the parliamentary debates was cantonal competition for this tax source. Using fine-grained data, Brülhart and Parchet (2014) analyze whether the location decisions of elderly high-income residents are responsive to bequest taxation. They find no such correlation and conclude that the pressures for tax reforms were “alleged”, not real. In other words, cantonal policy makers have strongly competed with one another, even to the extent of total tax elimination, although there is no evidence that the tax base for which they competed is sensitive to their tax reforms.

When policy makers believe to be in competition, and react accordingly, we observe tax competition, no matter the extent of tax mobility and elasticity. Tax competition without (or very low) tax base mobility is real but self-induced. In this case, tax competition becomes a self-fulfilling prophecy or tautology. For researchers, the major implication that follows from this is that we should always search for empirical strategies that measure the perception of competition by policy makers. It matters with whom they believe to be in competition, if we want to empirically study competition. However, this perception may or may not be consistent with models and narratives that policy makers use for explaining their responsiveness. If it is not, competition is stemming either from a lack of knowledge or may be strategically used for legitimizing ideological policy stances (most likely, it will be a combination of both). As with the Bayesian learning analogy discussed in Section 2, we should expect that policy makers with strong ideological priors in favor of tax competition are less sensitive to evidence of low tax mobility, but they may nevertheless strongly react to tax changes of other units.

4.4 Decoupling and Legitimacy

Sociologists and qualitative studies on diffusion have pointed to a question of considerably practical importance, namely, how policy makers actually implement diffusing policies (Beissinger, 2007; Chorev, 2012). This question is particularly relevant for policies that spread globally and are thus adopted by very distinct countries. Why should a very heterogenous set of countries adopt the very same policy? According to the emulation mechanism discussed in Section 2, policies can spread

simply because of their symbolic properties. A certain institution, like central bank independence, or a specific policy, like inflation-targeting, may be considered, after a process of norm creation, as appropriate and legitimate, and therefore diffuse (McNamara, 2002; Wasserfallen, 2016).

Policies and institutions, however, are not implemented as genuine norms, but with concrete legislation. With their work on decoupling, Meyer and Rowan (1977) have provided a seminal explanation of how policy makers conform with dominant international norms and, at the same time, implement and execute legislation that is tailored to their specific domestic context. In essence, they claim that policy makers decouple the practice of a policy from its legitimizing structure. This account suggests that, in a global diffusion process, the policies that are adopted are essentially not the same. Rather, they are localized versions of a genuine norm. For example, inflation targeting, which is a monetary policy that seeks to control inflation through a pre-announced inflation target, has been adopted all over the world in various versions. Ghana introduced in 2009 a very flexible framework with an inflation target between 7 and 9 per cent, while developed countries have more strict targets of 2 per cent. Also, in other policy fields such as health or education diffusing policies may have the same label, but they are implemented in localized versions (Meyer, Ramirez and Nuhoglu, 1992; Chorev, 2012).

This research thus suggests that we should study carefully how policies change while they diffuse. When policies are implemented with the same label, but in very different forms, the conceptual question arises whether we should still define this as policy diffusion. In that case, it is a norm rather than a policy that is spreading. For decision makers, policy adaptations to local contexts are attractive. By following dominant norms, they can signal adherence to international best practice, while local adaptations allow them to either water down the effectiveness of a policy or even pursue goals that are not necessarily consistent with the original version of the policy. A strong deviation between the norm of a policy and its eventual practice is problematic. For example, in the case of the 7 to 9 per cent inflation target introduced by Ghana in 2009, the decision makers adopted a highly respected monetary policy, but in a very loose form and with basically no effect (in the year of adoption, the Ghanaian economy inflated by more than 19 per cent).

5 Technocratic and Political Diffusion in the Policy Cycle

The theoretical and empirical literature on policy diffusion has moved in a direction that is quite distinct from the classic model of policy diffusion. In the following, we place the main dynamics of diffusion in the different stages of the policy cycle and contrast the more recent findings of the literature with the classic model of diffusion.

The early literature on policy diffusion mainly focused on the implementation and evaluation stage of the policy cycle. According to this benevolent model of diffusion, to which we refer as the technocratic model of diffusion, successful policies spread because decision makers evaluate the policy consequences they observe in other units. A prominent hypothesis in this literature is that technocratic and professional administrations are particularly qualified in the identification of successful policies (Volden, 2006). Figure 1 shows that the key part of the policy cycle in the technocratic model of diffusion is the implementation and evaluation stage, where the policy consequences are observed and studied.

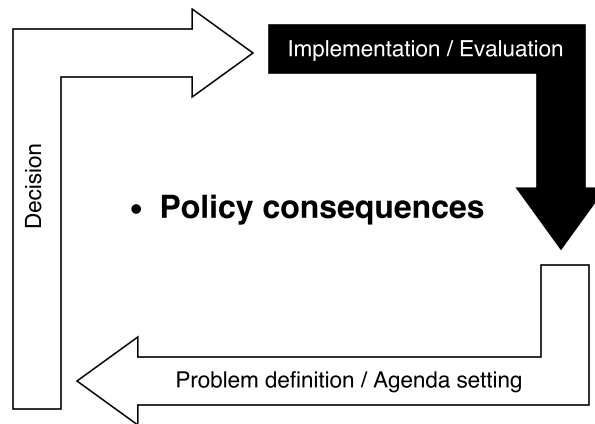


Figure 1: Technocratic diffusion

The practical implications that follow from the technocratic model of diffusion are quite straightforward. Any measure that strengthens the rigorous assessment of policy consequences is welcome. For example, intergovernmental institutions can facilitate the exchange of information across units, professional administrations can process the relevant information and prepare decision making that is based on systematic evaluations, and decentralized political systems provide a superior structure

for the spread of successful policies than more centralized systems.

However, the more recent findings of the literature summarized in Section 4 suggest that the technocratic model of diffusion may be misleading because diffusion is usually a process with important political dimensions. The policy cycle is again a useful point of reference for emphasizing the main dynamics of political diffusion, as compared to technocratic diffusion. First, several studies emphasize that policy evaluation is not simply a technocratic and professional act. Rather, policy information is processed through ideological lenses, which bias the evaluation. Also, decision makers are not only interested in what works, but also in what is popular. If policy makers observe that a certain policy is popular elsewhere, they are more likely to adopt it, no matter the policy consequences. Thus, as Figure 2 illustrates, policies also spread through political evaluations that are biased by ideological stances and focus on the political consequences of policy adoptions.

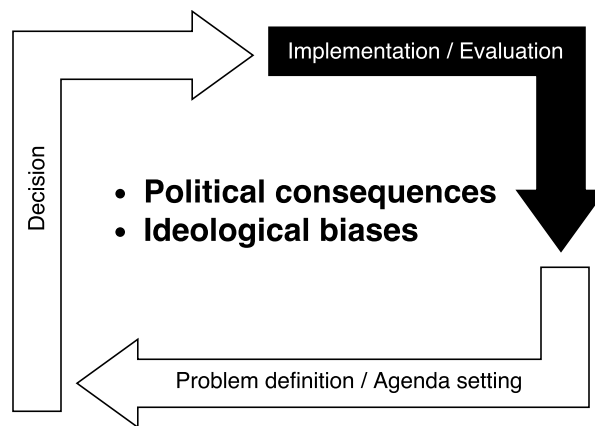


Figure 2: Political diffusion (in the evaluation stage)

For the study of political diffusion, we should further pay attention to the problem definition and agenda setting stage of the policy cycle. Here, the example and experience of others change the terms of the political debate by strengthening certain policy options, as the adoption of a policy by other units increases its acceptance and thus changes the political discourse. In addition, as discussed with the case of tax competition, the decision to change a policy can be based on perceived pressure that dominates the problem definition, no matter whether the pressure is real or alleged. In that case, diffusion through competition is a self-fulfilling prophecy. Figure 3 highlights how

changing the terms of political debates and self-fulfilling prophecies can drive the political diffusion of policies through the problem definition and agenda setting stage.

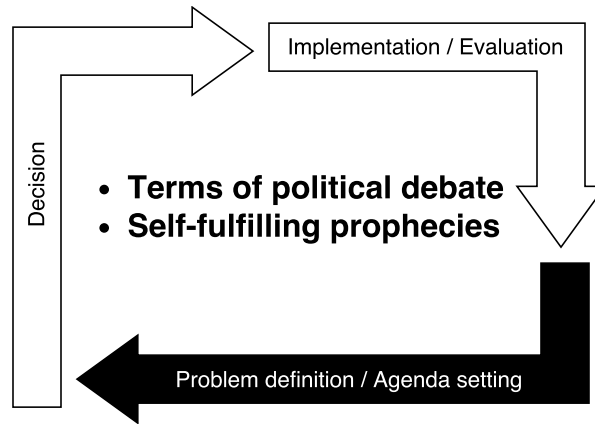


Figure 3: Political diffusion (in the problem definition stage)

Of course, the two phases of the policy cycle, evaluation and problem definition, which we display separately in Figure 2 and 3, interact and reinforce one another. An ideologically biased evaluation of a policy will subsequently effect the problem definition. As the terms of the debate are changed and policy decisions made, the stage is set for follow-up evaluations and problem definition that further strengthen the case for this problem definition and solution. This way, the policy diffuses through a self-reinforcing political cycle.

As far as the practical implications are concerned, the scope for interventions is much broader in political diffusion processes than in the technocratic model, which is dominated by professional technocrats that guide the decision of policy makers. In political diffusion, all kinds of actors from professionals to politicians, journalists, and pundits seek to influence both the spin of policy evaluations as well as the problem definition with reports, lobbying, interventions in the political debates, campaigning, and the like. The whole process is less structured and messier because it involves many actors using various measures, and it spans over the whole policy cycle.

From a normative perspective, political diffusion is more controversial than technocratic diffusion. The broader point of political diffusion is that biased evaluations and altered political discourses can potentially push any policy. The spread of a policy is eventually the product of a political process of

evaluation, agenda setting, and problem definition. Whether one criticizes or welcomes the political diffusion of a certain policy is less a question of how the process of diffusion unfolds, but rather depends on whether one is an advocate or opponent of the policy itself. Liberals like the spread of human and minority rights, while conservatives appreciate the diffusion of stricter immigration bans. However, a note of concern is certainly warranted because the playing field of how policies spread (or are blocked) has changed substantially in the age of "post-truth" politics. A case in point is the denial of global warming. The evaluations and problem definitions of a whole set of policies change fundamentally when the argument becomes (more) acceptable that climate is not changing (or that it is changing, but not because of human activity). As already discussed, political diffusion process can go either way and is as such not necessarily good or bad. But it is certainly a problem when fact-based diffusion becomes more difficult.

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