

Is the multiple streams framework useful for analysing transnational policy dynamics?

The case of EU biofuels policy implementation

Adrian Kay^a and Robert Ackrill^b

Paper prepared for:

"Future of the Multiple Streams Framework: Moving Policy Theory Forward" (Post-Kingdon Workshop)

Lee Kuan Yew School of Public Policy, National University of Singapore,

October 16-17 2014

^a Professor Adrian Kay Crawford School of Public Policy, Crawford Building, No 132

Lennox Crossing, The Australian National University, Canberra, ACT 0200, Australia

adrian.kay@anu.edu.au

^b Professor Robert Ackrill Division of Economics, Nottingham Business School, Nottingham

Trent University, Burton Street, Nottingham, NG1 4BU, UK

Tel: +44 115 848 4234, Fax: +44 115 848 8010

robert.ackrill@ntu.ac.uk

Abstract

The Multiple Streams Framework (MSF) has, since 1984, enabled policy scholars to analyse policymaking under conditions of complexity, ambiguity and contingency. Subsequent developments have helped extend its scope beyond the US political system and take its applicability in policy analysis beyond agenda-setting. In the present paper we seek to develop the MSF further by adding a scalar dimension. Specifically, we wish to explore the prospects for an adapted MSF to contribute to the analysis of transnational policy processes, emerging as a result of globalisation. In open economy policy-making, we posit that domestic policy streams require coupling with transnational problem and politics streams. It also necessitates a step away from overly-geological metaphors, and strict temporally-sequenced policy processes. Furthermore, emergent transnational policy implementation is based on transnational governance networks rather than on traditional governmental hierarchies, creating new roles for state and nonstate actors that the MSF can help apprehend. We apply our revised MSF framework to the creation and implementation of EU biofuels environmental sustainability criteria. Against this adapted MSF backdrop, we argue that the EU itself played the role of policy entrepreneur, building a governance network through the successful coupling of multiple streams across traditional borders of state authority.

Introduction

The distinctive contribution of the multiple streams framework (MSF) is to place timing and contingency at the centre of the analysis of policy-making. It has provided policy studies with a means to think systematically about moments of policy change opportunity, as well as the concepts to help dissect how potentialities play out in practice. While the framework has been developed profitably over thirty years analysing the national level of policy-making, it has yet

to acknowledge fully the complexity of multi-level policy processes in which the policy, politics and problem streams can operate at, and interact across, different territorial scales.

For example, Ackrill and Kay (2011) and Ackrill *et al.* (2013) argue that the MSF is particularly well-suited to analysis of the EU, where institutional complexity, overlapping institutional jurisdictions and multiple levels of government create ambiguity, and space for policy entrepreneurs to open and to exploit windows of opportunity. However, the MSF has not been utilised to explore transnational public policy processes. In addition to all of the features of complexity which make the MSF well-suited to EU policy analysis, at the transnational level there is the added factor of economic globalisation and the attendant debates about state authority and capacity. This represents a fundamental challenge to traditional notions of sovereignty at the level of the nation-state that are foundational in the original MSF and still present in its EU adaptations.

Furthermore, the potential of the MSF to analyse the full policy process has not been fully explored. Ackrill *et al.* (2013: 874) note that early applications focused on agenda-setting, with its use in the analysis of decision-making starting, effectively, with Zahariadis (2003). We argue below, however, that with post-sovereign public policy the various stages of public policy – but notably the enactment or implementation phase – become problematic. Indeed, we argue that a given ‘policy’ involves domestic policy streams flowing around transnational problem and politics streams. As a result, this creates ambiguity in terms of timing and sequencing, in addition to more conventional notions of ambiguity in the MSF.

This paper offers an adaptation of the MSF, made in order to investigate transnational policy making processes, in which the timing and contingent interplay of the policy, politics and

problem streams is not only relevant in a temporal dimension - as in the original MSF - but are complicated by scalar dimensions. The observation that public policy often relies on networks of private actors for its successful implementation is common-place. Indeed, the essential role of non-state actors in policy-making sits at the heart of many contemporary debates over governance, whether arguments are being offered from a state-centric or society-centric perspective.

The case study investigated in this paper is selected to illustrate an important variation of this theme: the specific challenges faced when public policy by government requires extra-territorial implementation by (i) a network of private actors who operate transnationally or exclusively within other jurisdictional boundaries; and (ii) where that network does not exist prior to the public policy, and instead has to be created by the public policy. From this, our case study is illustrative of a post-Westphalian situation where there is one 'state' (the EU) determining public policy within the domestic policy stream, but there are also connected policy streams in other countries. Therein, nonstate actors operate as part of the policy network required to implement what is, from their perspective, extra-territorial policy. Indeed, a key role of those nonstate actors is to facilitate the coupling of multiple domestic policy streams.

These case characteristics allow our analysis to reveal that the governance of such a network offers non-state actors new roles and opportunities. It also challenges state actors to adapt their policy implementation strategies, as they move from the peak of a policy hierarchy, to a position alongside those non-state actors, in a flatter extra-territorial governance network. Sovereignty is defined more in terms of functions that actors can perform within such a network, than in Westphalian notions of state-centric territorial space.

Theoretical elaboration of the MSF for transnational policy processes

The relationship between extra-territorial policy implementation and sovereignty can be seen as part of a broader intellectual project of thinking through our basic categories of public policy-making in an era of open economy policy-making.

Kobrin (1991; 2009) and Rosenau (1992) are typical and influential examples of writing about a post-sovereign world under globalising pressures. In the field of policy studies, the elaboration of analytical frameworks to apprehend intergovernmental or transnational public policy-making in open economy sectors where policy actors and policy ideas operate across and beyond borders to shape agendas, the content of policies, and modes of governing, remains scholarly work in progress (Skogstad, 2008). Stone (2008: 21) elaborates the argument that policy studies remains trapped as a ‘methodological prisoner of the state’ seemingly unable to adapt and complement scholarly analysis about the erosion of state capacity. Stone’s critique draws an analytical distinction between national policy processes and those which operate at the global level: ‘...global policy processes are distinguishable from national and intergovernmental processes but remain interconnected’ (2008: 34).

In the context of multiple and diffuse sources of sovereignty at the global level, where porous boundaries between public and private spheres of governance facilitate increasingly transnational forms of politics, the conventional implementation dilemma of policy studies looks importantly different. Whilst diagnoses of principal-agent problems or about bureaucratic slippage have proved successful across many sectors within a closed policy-making system, without a single, concentrated source of sovereignty - in an open policy

making system - they lack analytical purchase. This is thrown into starker relief when there is no 'shadow' of a powerful state that can enforce compliance; instead, it is the relational dynamics post-public policy that is key to extra territorial policy implementation.

The much-studied Forestry Stewardship Council (FSC) serves as a point of contrast for our case. If we accept the classification of FSC as private governance (Bell and Hindmoor 2012), that is a non-state market-driven structure, then the case study analysed in this paper, EU environmental sustainability criteria (ESC) for biofuels, are not forms of private governance. In this analysis, the concept of 'non-state' is too fuzzy as an analytical category for us. By implementing its biofuels policy, the EU is trying to create the conditions for private governance by setting in place conditions to create interdependence and mutually beneficial cooperation between EU and whole range of other types of actors. The transnational character of our case is illustrative, without territorial boundaries to indicate who is being governed by whom, the governance dilemma takes on an additional ambiguity than it does within the boundaries of a sovereign jurisdiction.

The EU does continue to have domestic authority over policymaking, and it is in this context that it designs and seeks to establish and implement the ESC. Thus, unlike the FSC for example, there is part of this story that involves hierarchy, state and other more 'traditional' notions of public policy-making. It is just everything else that raises governance (and theoretical) challenges.

This is related in turn to the problematic distinction between public and private authority in the transnational governance arena. The biofuels case shows private actors, both national and transnational, participate in global governance regimes for biofuels but struggling to satisfy

requirements of public policy, and failing to generate ‘publicness’ in their procedures and accountability mechanisms. The EU biofuels case is selected to illustrate how implementation of these sorts of post-sovereignty public policy requires collaboration, negotiation and ‘soft’ institutionalism; in turn we use the case in an exploratory fashion to show how the MSF may be applied usefully to the analysis of transnational policy dynamics.

Throughout the paper, we stress the framework character of the MSF. Schlager (2007) uses the Elinor Ostrom notion of a framework as providing theories with a general class of variables and mechanisms necessary for explaining a particular phenomenon under investigation. Multiple theories may be nested within a conceptual framework. Frameworks may be revised as theories improve in their explanatory range and power. Theories are tested and revised through the development of models, where a model represents a particular situation, more precise in its assumptions and narrow in scope than the theory from which it derives.

In MSF terms, the EU has to be entrepreneurial to implement its biofuels policy; it does not enjoy the capacity to deliver on the ESC element of its policy by itself, and instead has to engage with others in a transnational network. The EU policy stream, ‘domestic’ in scale, needs to be coupled with politics and problems streams at the transnational scale for there to be a governance structure for the EU policy to operate. The EU has to act as the Policy Entrepreneur to couple its own domestic policy stream with transnational politics and problems streams.

In this post-sovereignty category of public policy, the implementation phase in any ‘stages’ heuristic of policy making process is problematic. There is no point at which we can say

policy is enacted because the state is not central, it is only one player transnationally. By extension, there is no point at which we can say policy is being implemented. The analytical separation of policy formulation and its enactment is characteristic of many, if not all, policy models.

Our case illustrates this powerfully: formal EU policy legislation is just the starting point, almost pre-agenda setting (one governance actor states their preferences and commitment to pursue certain aims and objectives). Having negotiated the ESC ‘domestically’ in accordance with domestic policy preferences, it then goes out to shape, influence and negotiate with other non-state actors, located extra-territorially. It needs to ensure these actors not only have the functional capabilities the EU needs, but that the EU policy agenda accords with their private agendas. Only then can the EU establish, in a network, the governing arrangements *beyond the border* to help ‘make’ the transnational public policy that is the *sine qua non* of the successful *domestic* implementation of EU policy.

The MSF can help apprehend these relational, collaborative systems of governance in the transnational sphere. It can help with the core question in our case study: how can the EU, without formal authority or real power, create relational dynamics with actors well outside its formal or effective (defined as based on hierarchy, in a traditional Westphalian setting) sphere of influence? It has to be entrepreneurial in linking different streams in windows of opportunity. Ambiguity is linked to, in this case, post Westphalian sovereignty. There are no elections, hard law, tax powers; instead the dominant character is institutional ambiguity.

In extending the MSF for transnational policy dynamics, it is important not to reify the levels or scales of policy making. These are metaphorical distinctions that may, in turn, lead to an

analytical strategy of studying international, global and domestic policy separately. This is, of course, successful as well as valid for certain scholarly ends. However, for employing the MSF extra-territorially, the metaphor of levels may be misleading.

Instead, we submit that the apposite metaphor to employ in applying the MSF is not two levels of policy-making, but instead a closed system, a domestic policy process nested within a broader transnational policy process. The characteristics of policy-making across and beyond borders, where there is no dominant state or hegemon to impose its policy, remain key variables, but additionally there is a domestic EU policy stream intertwined across various territorial scales.

The corollary is that the MSF can be used to describe a boundary between a relatively ordered phase of policy (EU) and a disordered, uncertain, or random phase; and how the ambitions established in the former can be projected to the latter. In our case, these two policy processes – EU and transnational – are out of phase, such that in stages terms EU implementation is transnational agenda setting.

In this extension of the MSF, streams that describe dynamics at the transnational scale may be coupled with the contingencies of domestic policy processes. Streams-thinking helps the analyst to consider alignments, particular moments and, here, the entrepreneurial activity of state actors in this transnational world of increasingly dense rules, norms, standards, but no global state. This is consistent with traditional MSF thinking, explaining the agenda-setting, but also the policy-making, phase of our case.

MSF Adjustment 1: The Problem Stream in Transnational Policy-Making

The (territorially-defined) nation-state is traditionally seen as holding and exercising sovereignty, internally, within its borders. This 'Internal sovereignty defines the legitimization of the state vis-à-vis competing domestic claimants' (Kobrin, 2009: 185). Moreover, this gives rise to an external dimension of sovereignty, whereby states are equal to each other. If there is no authority higher than the state, no state has authority over another state; although, as Strange (1996: 13) points out, towards the end of the twentieth century, asymmetries between states were becoming more clearly visible.

The critical motor in the transnational problems stream in the MSF is the post-war trend of economic liberalisation and globalisation. The progressive removal of barriers to trade in goods, and the free movement of factors of production, are seen by many as eroding internal sovereignty and changing fundamentally the character of policy problems. Relations between economic actors are changing with, in particular, the emergence of companies that, in some cases, are the size of medium-sized countries. They operate across national boundaries, they own and control economic and physical resources and, crucially, they possess the capacity to move these resources between countries, largely unrestricted by the control efforts of national governments (Rosenau, 1995).

Transnational policy problems are catalysed because states, individually, lack sovereign authority over these TNEs; indeed, TNEs have long been seen as driving back state sovereignty (Vernon, 1971). This problem is, increasingly, exacerbated by the development of new technologies, especially communications technologies (Vernon, 1977; Kobrin, 2009), what Strange (1996: 7) called 'the neglected factor' in the shifting balance of power between state and market. States and TNEs, however, represent 'two systems...each legitimated by popular consent, each potentially useful to the other, yet each containing features antagonistic

to the other' (Vernon, 1991: 191; Eden, 2000). This friction constitutes much of the MSF problems stream at the transnational scale.

In addition to states and TNEs, there are other types of actor in emerging governance structures that contribute energy to the MSF problem stream. Given the aforementioned antagonisms between TNEs and states, international non-governmental organisations (INGOs) represent informal institutions that can occupy the space created by the incompatible interests of the formal institutions of TNEs and states (see Teegen, 2003; Teegen *et al*, 2004). Here, they can 'bridge and bond public and private sector actors' (Teegen, 2003: 271-2). Yet relationships between TNEs and states can also be clientelistic. The attendant problems with this may draw civil society actors (often but not exclusively coordinated and channelled through NGOs) into the MSF (Mytelka, 2000: 313).

Civil society can engage with TNEs and/or states directly, seeking changes to economic behaviour (Mytelka, 2000; Teegen *et al*, 2004). More than this, competing INGOs can improve policy outcomes, even if their efforts are framed by states (Bloodgood, 2011: 94), as they themselves represent 'spheres of authority' (Rosenau, 2007). They can thus pursue their own interests as *partners* of TNEs and states (Steffek, 2013), as a source of 'global value-creation and governance' (Teegen *et al*, 2004: 472). Ultimately therefore, beyond bridging and bonding, INGOs have a role to play in their own right, within the problem stream.

Given that NGOs can play different roles, different types of NGO are recognised – for example advocacy, operational, integrated and hybrid NGOs (Teegen *et al*, 2004). We identify two distinct types of NGO in the MSF problems stream. The first conforms most closely to Teegen *et al*'s concept of advocacy NGO, as a civil society actor independent of

state and business, but which engages with both. The second form of NGO we identify is one that does not conform to any of the types of NGO identified by Teegen *et al.* It is strictly non-governmental, but is distinct from a social purpose NGO as it may include business organisations in its activities. For this type of NGO, very important in our case study, we coin the term multi-actor NGO. This very different make-up reflects the different governance role the multi-actor NGO has from an advocacy NGO. In our case study, these multi-actor NGOs have similarities with the FSC, but the different context and role (for example the ESC policy being instigated by a state) results in significant differences vis a vis the FSC.

A fourth actor-type, whose development has been shaped by globalisation, is the International Organisation (IO). This gives states representation at the global level (Teegen *et al.*, 2004: 470); yet IOs can be more than simply groups of nation-states. Consider the World Trade Organisation (WTO), an important actor in our case study. On the one hand, WTO agreements may simply reflect national preferences, which emerge out of inter-governmental bargaining, but which can be influenced by non-state actors (Katsikas, 2010: 124). Here, the IO provides the institutional context for the intergovernmental agreement. On the other hand, even if an IO has no binding legal powers over its member states, the member states may choose to behave as if it did, for example in response to a negative ruling in a WTO trade dispute (Katsikas, 2010: 128). The IO is able to act against the domestic interests of a particular member state, whose acquiescence reflects intersubjective agreement over the authority of, in this case, the WTO dispute system. An IO thus is a distinct supra-territorial sphere of authority (Rosenau, 2007. See also Symons, 2011).

We thus see globalisation creating an 'emergent epoch' (Koehn and Rosenau, 2002) where more actors and actor-types – the state, TNEs, NGOs and IOs – are actively involved,

together, in the shaping of economic relationships and as a corollary, the nature of the transnational problem stream. That is to say, globalisation creates ‘issues’ that are being defined as ‘problems’ with a transnational dimension to them as well as ‘issues’ that mobilise epiphenomenal cross-border publics and create transnational forms of politics.

MSF Adjustment 2: The Politics Stream in Transnational Policy-Making

Government implies the pursuit of goals backed by formal authority, underpinned by police powers (Rosenau, 1992: 4) to ensure policy delivery. Governance, Rosenau thus argues, involves the delivery of goals where there may not be the backing of legal, formal responsibilities, nor police powers to ensure policy delivery (see also Czempiel, 1992: 250). Thus government is a form of governance linked to notions of sovereignty. Governance can include *the* government, but with different roles and functions: there will be a shift from having power over non-state actors (hierarchy), to sharing power with them (network).

This has led to a new language emerging. For many, there is a secular trend from government to governance (for example Rhodes 1996; Pierre and Peters 2000). Rhodes (1994) also spoke of the hollowed-out state. Perhaps the simplest expression of what governance involves the government, is ‘steering’ (Larsson, 2013: 101). This is representative of the nautical theme to several of the aphorisms now used: governance as steering not rowing; making maps and navigating (Parsons, 2004); and scanning the horizon and setting strategic directions (Howlett and Lindquist 2004). Meanwhile, Strange (1996: 14) has spoken of ‘a yawning hole of non-authority, ungovernance it might be called.’

In the transnational politics stream, there is still plenty the state can do (Kooiman, 1993; Fawcett and Daugbjerg, 2012: 197-8). Indeed, Matthews (2012: 282) refers to “‘the paradox

of state capacity,” which identifies a simultaneous process wherein states have sought to develop new forms of state capacity while at the same time transferring key control levers to a range of semi-independent organizational forms.’

What, however, about a state that engages in transnational politics to seek to influence economic activities beyond its territorial boundaries? By this, as we shall see with our case study, we refer to something other than the notion of TNEs representing a conduit through which one state can influence another (Vernon, 1981: 258). Instead, we refer to a situation where the state, in pursuing domestic policy interests, finds itself engaging with what we call a transnational politics chain, running parallel to a (biofuels) supply chain. The policy involves more than market transactions with private actors who possess Matthews’ ‘key control levers’. In our case study, there is policy ambition in ‘weights and measures’ terms, with the EU seeking to influence the production conditions of the inputs used to produce biofuels sold in the EU.

Moreover, as introduced earlier, changing modes of governance (in our case, from hierarchy to network) challenge our understanding of a simple state/non-state dichotomy. This, in turn, weakens the distinction between market and non-market activities. Thus the notion of firms lobbying governments for policies which redistribute economic resources in their favour is out of date as a characterisation of the transnational politics stream. It may overstate the ability of a government actually to deliver such a transfer of resources. It also associates firms’ non-market strategies with activities such as lobbying policy-makers. This ignores the complexity of the institutional context (notably within networks: Rizopoulos and Sergakis, 2010), understating the range of possible governance roles available to TNEs and other actors in the emerging governance networks, as our case study will show.

Various academic literatures are searching for ways to theorise emergent transnational governance structures (see, amongst many others, Strange, 1996; Fuchs, 2005; 2007.). Yet as efforts continue to understand these network structures and their governance, so new forms of network continue to emerge, with different governance challenges (Blanco, *et al*, 2011). In the transnational politics stream, a helpful distinction is between policy networks and governance networks. The former is defined as ‘hierarchical government subverted by the incorporation of non-governmental elites’; whilst the latter are seen ‘as a paradigm shift away from hierarchy towards more plural modes of governing’ (Blanco *et al*, 2011 299).

More fully, policy emerges from a governance network as ‘a result of *governing processes* that are no longer fully controlled by the government, but subject to negotiations between a wide range of public, semi-public and private actors, whose interactions give rise to a relatively stable pattern of policy making that constitutes a specific form of regulation, or *mode of coordination*’ (Sørensen and Torfing, 2007: 3-4, emphases in original). This notion of a governance network sits comfortably in the transnational politics stream of an extended MSF, and is a useful starting point for our case study, although we question Sørensen and Torfing’s argument about such a network giving rise to stable policymaking patterns.

The MSF extended

The original MSF was inspired by need for an analysis of policy processes in multi-actor, non-hierarchical settings. These features, we argue, are characteristic of post-Westphalian, transnational policy processes. It can thus readily be adapted to meet the analytical challenge faced in apprehending cases where the public policy ambition of a sovereign state extends

transnationally; and which, therefore requires for its effective implementation the active involvement of private sector and civil society actors well beyond its sovereign borders. Policy effectiveness demands a more consensual and non-hierarchical relationship between the state designing the policy and non-jurisdictional actors (Richardson 2012; Wolf, 2008). As Richardson (2012: 311-312) sets out, quoting the work of Héritier and Rhodes, ‘in a highly complex society, with problems extending across borders, central actors are unable to muster the knowledge required to shape effective instruments of interventions. They depend on the expertise and knowledge of private and local actors. In these conditions, centralized and hierarchical steering is doomed to failure’.

Our extension of the MSF seeks to adumbrate the shift in the control of economic resources in open economy policy-making. This is important for defining the limits of intergovernmental economic policy coordination. Our case study is of a governance network that has emerged in response to a specific policy challenge; a network where actors are able to join or leave. This fluidity is not characteristic of inter-governmental relations; indeed, it challenges the assertion of Sørensen and Torfing, above, that state-nonstate governance networks produce ‘a relatively stable pattern of policy making’. Furthermore, the network has emerged to deal with a policy issue established in the context of the norms and goals of one jurisdiction – the EU. There is no basis for assuming, *a priori*, that those policy preferences are reflected in other states; and, therefore, that there is even a basis for inter-governmental cooperation. Moreover, whilst a global inter-governmental forum is already available for biofuels policy-makers – the Global Bioenergy Partnership (GBEP) – interviews conducted by the authors with senior national officials involved in GBEP, indicated that it is a fairly informal gathering. It is excellent for information exchange and discussion of various topics

of mutual interest, but is not (currently) an appropriate forum for detailed inter-governmental policy-making.

Thus, perhaps the most significant governance factor of all is the sheer scale of ambition of EU biofuels policy, as manifest in the ESC. The governance of a contested policy area such as sustainability represents huge political challenges. On this point, one might argue that the EU, better than any other actor, would recognise the challenges of trans-boundary policy implementation: it was forged, and has subsequently developed, as a *sui generis* hybrid of intergovernmental and supranational governing modes in response to the dilemmas of transboundary policy-making. The conclusion is straightforward but demanding: if state actors wish to influence economic activities beyond their borders, they must cooperate with (for they cannot control directly) extra-territorial non-state actors.

That said, the shift to network governance creates new roles for actors – in this case, the scope for the EU itself to take on the role of policy entrepreneur in a transnational setting. Importantly, our case stands in contradiction to a common argument in the literature, that the participation of non-state actors requires a shadow of hierarchy, where the state threatens legal enforcement if voluntary participation is not forthcoming (Fawcett and Daugbjerg, 2012: 197-8; see also, *inter alia*, Wolf, 2006; Bell and Hindmoor, 2009). A key point from our case study is that, in the extra-territorial context, the EU casts no such shadow.

Koehn and Rosenau (2002) identify five factors influencing when transnational networks are effective: *access and resources*, *shared interests*, *partnerships in cooperative projects*, *professional/technical skills*, and *transnational competencies*. In offering these factors Koehn and Rosenau (2002: 106), in line with other authors, emphasise that ‘as increasingly less

effective national and subnational governments struggle to cope with the challenges of interdependence...the transformative efforts of civil-society networks' become more important. Quoting the work on environmental policy of Willetts (1996: 134), they also recognise that 'Governments retain vital catalytic roles, however, and remain "nodes of communication and decision-making, interacting with domestic NGOs, international NGOs, local and transnational companies, other governments and intergovernmental organisations"'. In the context of the MSF, the EU acting as a policy entrepreneur, possesses all five factors identified above. This facilitates its efforts to act to couple the streams even if, in the context of the quote above from Willetts, it does not do so as the 'government'.

Koehn and Rosenau (2002: 111) also argue that 'In transnational interactions, the ability to grasp unfamiliar settings is essential.' Yet in our case study, with a horizontal network of actors, operating in different jurisdictions, it is not a necessary condition that each actor has a full grasp of these 'unfamiliar settings', so long as the actors in the network, collectively, have such a grasp; and, therefore, that communication between actors at the design and implementation stages of policy is clear and robust. We therefore agree with Koehn and Rosenau (2002: 119), regarding 'the primacy of the *exchange* of knowledge between networked individuals'. Moreover (*ibid*), 'Among the most critical knowledge exchanges for governance in the emergent epoch are those that link the local and the global.'

We thus argue that in a transnational network, there are certain characteristics required for the network to work successfully. Individual actors exercise sovereignty ('authority' as Katsikas, 2010), puts it) but, in contrast to the territorial use of this word, we refer here to function. Network participation relies on what actors can do, given what successful policy implementation requires. The state has a role in shaping a policy reflecting domestic,

territorial preferences, but must be willing to accede aspects both of design and, especially, implementation to actors who possess local knowledge in other territories, or who can act trans-territorially, where they are themselves ‘spheres of authority’ (Rosenau, 2007). The state therefore remains the ultimate authority for determining policy within its territory, but this does not relate to hierarchy within the network. Rather, in terms of policy implementation via the network, the state must recognise the sovereignty or authority of the other actors over their own roles.

This is a vital consideration if the EU, just as any policy entrepreneur, is to be successful. But in a transboundary setting, the skills required of the policy entrepreneur are even greater, because of the distinct roles available to, indeed required from, the other actors. Transnational and extra-territorial actors can utilise not only the control they have over internal resources, but also their own trans-boundary knowledge. This can involve both informing territorially-bound actors what they should do, and playing a pro-active role in shaping preferences. To a degree this will involve seeking to shape the collective preferences of the network in line with individual goals. But, in the absence of hierarchy, and even of the shadow of hierarchy *within the network*, a willingness to compromise and find solutions to the functioning of the (essentially voluntary) network is required. Such ‘Private contributions to governance beyond the state should be considered as *embedded self-regulation*, in which public actors, private corporations, and members of civil society are involved in different arenas and functions.’ (Wolf, 2006: 223).

The Case Study: EU ESC and Network Governance

EU biofuels policy has been developed by policy-makers as a domestic response to a range of domestic and global policy challenges. The nature of biofuels production means that the

certification bodies may be operating thousands of miles away from the EU, whilst the policy requires other actors to engage actively along the full length of the governance chain which parallels the supply chain. This system operates in a contested policy sphere, sustainability, in which INGOs are extremely active, whilst the international dimension of biofuels production and distribution raises the question of the WTO compatibility of the policies put in place to govern the transnational biofuels market. Meanwhile, as discussed later, TNEs are also being encouraged to develop and to deliver to market, at scale, advanced biofuels.

EU policy-makers are trying to deliver EU policy goals without any direct policy levers to compel these other actors to participate in this network. In this regard, it is an important feature of policy that the EU is involving multi-actor NGOs who, in many cases, are already in existence and whose functions extend beyond biofuels. The EU is asking these certifiers to do for EU biofuels policy what they already do for those feedstocks in other contexts. These certifiers thus exist and operate independently of biofuels, which is extremely important given the strongly divisive debates that biofuels can trigger. Engaging with existing certification networks and processes can help the EU 'normalise' this much-contested element of its biofuels policy. Given the role of policy entrepreneur, taken on by the EU in this extra-territorial setting, this alignment with multi-actor NGOs who possess complementary competences, can help in the task of coupling streams transnationally, an outcome delivered jointly by the EU acting as policy entrepreneur, and the multi-actor NGOs. This stands in contrast to the view of such NGOs merely as performing a 'bonding' role between state and private actors (Teegen, 2003: 280, referring to Nature Conservancy). In our ESC example, the multi-actor NGOs do much more than provide an interface between private and public actors: notions of bridging and bonding are useful reference points, but they understate the roles performed by the multi-actor NGOs in our case study. Indeed, bridging

and bonding are built upon incompatibilities whereas, as noted above, the EU biofuels policy governance network involves mutually compatible interests and complementary functions.

Despite several challenges faced by the EU biofuels policy governance network, and the tensions that exist between different actors with diverse interests (Kay and Ackrill, 2012), we have not yet seen the network fragment. In a transnational network that lacks hierarchy, different non-state actors have engaged with each other and taken on the various roles required for the network to function. Indeed, the various non-state actors are thus not only performing 'market' functions, but are active participants within the governance network.

A notion that lies behind the concept of the coupling of streams within the window of opportunity is that there is an idea whose time has come. Despite EU (and other countries') biofuel policies facing pressures for reform and even abandonment (Ackrill and Kay, 2014 forthcoming), the resilience thus far of those policies is a measure of an idea whose time arrived, subject to *ceteris paribus* conditions (Ackrill *et al.*, 2013: 879) but which, despite the evolving debate within the problem stream, has not yet been pushed out. This may be one manifestation of what Ackrill *et al.* (2013: 880) identify as a consequence of a complex policy issue, that only one, or a severely circumscribed set, of policy responses may be feasible within the window. In our case study, the development of ESC followed the approach taken by US biofuels policy, as did the EU adoption of mandated blending targets for biofuels in transport fuel. Moreover, the adoption of a process of ESC enforcement drawing on multi-actor NGOs already engaged in certifying the production conditions of various (mainly tropical) commodities. Thus the policy of EU biofuels ESC has shown resilience, as a result of the successful policy entrepreneurship of the EU, coupling successfully a complex web of multiple streams and multiple actors across both time and

space. Moreover, it has done so as this coupling has helped deliver a policy which, in implementation, has few competing options for delivery on the primary policy goals.

As noted earlier, applications of the MSF should avoid overly-geological metaphors; and recognise that, in a transnational setting, a strict temporality is not necessarily appropriate analytically. To illustrate this, we consider where EU biofuels policy has thus far failed to deliver on its goals. In order to help promote biofuels' environmental performance, policy has sought to promote the development and commercialisation of advanced biofuels. This is despite policy-makers even collaborating with firms on research and development. Underlying EU biofuels policy is the implicit idea that the policy goals can be delivered without consumers having to adapt their own behaviours. Indeed, the way the policy has been designed and implemented, consumers cannot make expressive consumption decisions over biofuels, in the way they can over choosing between, say, Fairtrade and non-Fairtrade coffee. In contrast, on the production side firms in particular *must* change what they do, if advanced biofuels are to be delivered to market on a commercial basis. The challenge for policy-makers is to find ways to promote this in the absence of hierarchy-based authority: these efforts have been much less successful thus far.

Moreover, it is not clear that TNEs are fully cognisant of the new opportunities and pressures these evolving governance structures present. In 2013, the UK House of Commons International Development Committee published a report on global food security (House of Commons, 2013). Several advocacy NGOs made written submissions which included arguments that biofuels affect food security adversely. Out of over 30 written submissions, only one came from a company that could even possibly be identified as being a private market actor in the biofuels policy network. Did private companies not expect advocacy

NGOs to argue that biofuels harms food security? Nor that developing advanced biofuels can help mitigate such advocacy pressures? It is, however, beyond the scope of the present paper to explore this debate. Rather, we offer this as illustrative of the changing nature of policy-making and networks in the ‘emergent epoch’ of which Koehn and Rosenau spoke. This implementation failure, of itself, represents a problem in a transnational stream which flows back into the EU policy arena – setting the agenda for more EU policy-making. It therefore illustrates the dangers of applying the MSF too rigidly, with regard to geology and temporality. That said, more work remains to be done to explore the dynamics of the MSF in this transnational setting, in what we referred to earlier as a closed system, with the domestic nested within the transnational.

Conclusion

To facilitate discussion at the workshop, we offer some tentative propositions on how the MSF can be adapted to enlighten analysis of transnational policy processes, as illuminated by our case study:

- We have problems and politics streams which are transnational
- We have multiple ‘domestic’ policy streams, not only in the country where the initial policy is developed, but also in those countries where networked nonstate actors are required for policy to be implemented
- These actors in different countries couple these policy streams, via the governance network
- the policy system is closed, with nested inter-connected levels, rather than a strict geological relationship between levels
- there is feedback between streams, levels and actors which also challenges strict temporal notions of the policy process

- the shift from hierarchy to network creates novel roles for actors, such as the EU acting as policy entrepreneur transnationally, having performed a different function domestically, in making a policy which requires transnational implementation. Our case study also reveals feedback processes which serve to break down temporal perspectives of the policy process – it is more circular than linear

References

- Ackrill, R. and A. Kay (2011) Multiple streams in EU policy-making: the case of the 2005 sugar reform. *Journal of European Public Policy*. 18(1), 72-89.
- Ackrill, R., A. Kay and N. Zahariadis (2013) Ambiguity, Multiple Streams and EU Policy. *Journal of European Public Policy*, 20(6), 871-887.
- Bell, S., & Hindmoor, A. (2009). *Rethinking Governance: the centrality of the state in modern society*. Cambridge, UK: Cambridge University Press.
- Blanco, I., Lowndes, V., & Pratchett, L. (2011). Policy Networks and Governance Networks: towards greater conceptual clarity. *Political Studies Review*, 9, 297-308.
- Bloodgood, E. A. (2011). The Interest Group Analogy: international non-governmental advocacy organisations in international politics. *Review of International Studies*, 37, 93-120.
- Charnovitz, S. (1997). Two Centuries of Participation: NGOs and international governance. *Michigan Journal of International Law*, 18, 183-286.
- Crouch, C. (2010). The Global Firm: The Problem of the Giant Firm in Democratic Capitalism. In D. Coen, W. Grant, & G. Wilson (Eds.), *The Oxford Handbook of Business and Government* (pp. 148-172). Oxford, UK: Oxford University Press.
- Czempiel, E.-O. (1992). Governance and Democratization. In J. N. Rosenau, & E.-O. Czempiel (Eds.), *Governance Without Government: Order and Change in World Politics*

- (pp. 250-271). Cambridge Studies in International Relations 20. Cambridge, UK: Cambridge University Press.
- Daugbjerg, C., & Swinbank, A. (forthcoming) Globalization and new policy concerns: the WTO and the EU's sustainability criteria for biofuels. *Journal of European Public Policy*.
- Doh, J. P., & Teegen, H. (2002). Nongovernmental Organizations as Institutional Actors in International Business: theory and implications. *International Business Review*, 11, 665-684.
- Eden, L. (2000). The Realist Adjusts the Sails: Vernon and MNE-state relations over three decades. *Journal of International Management*, 6, 335-342.
- EU (2003) Directive 2003/30/EC of the European Parliament and of the Council of 8 May 2003 on the promotion of the use of biofuels or other renewable fuels for transport (Biofuels Directive). Official Journal of the European Union, L123, 17.5.2003, 42-46.
- EU (2009a) Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (Renewable Energy Directive). Official Journal of the European Union, L140, 5.6.2009, 16-62.
- EU (2009b) Directive 2009/30/EC of the European Parliament and of the Council of 23 April 2009 Amending Directive 98/70/EC as Regards the Specification of Petrol, Diesel and Gas-Oil and Introducing a Mechanism to Monitor and Reduce Greenhouse Gas Emissions.... Official Journal of the European Union L140, 5.6.2009, 88-113.
- Fawcett, P., & Daugbjerg, C. (2012). Explaining Governance Outcomes: epistemology, network governance and policy network analysis. *Political Studies Review*, 10, 195-207.
- Fuchs, D. (2005). Commanding Heights? The strength and fragility of business power in global politics. *Millennium – Journal of International Studies*, 33, 771-801.
- Fuchs, D. (2007). *Business Power in Global Governance*. Boulder, CO: Lynne Rienner.

- German, L., & Schoneveld, G. (2012). A Review of Social Sustainability Considerations Among EU-Approved Voluntary Schemes for Biofuels, with Implications for Rural Livelihoods. *Energy Policy*, 51, 765-778.
- House of Commons (2013) *Global Food Security*. International Development Committee, First Report of Session 2013-14, HC 176. Volume I (Report, together with formal minutes, oral and written evidence); and Volume II (additional written evidence).
- Howlett, M., & Lindquist, E. (2004). Policy Analysis and Governance: Analytical and Policy Styles In Canada. *Journal of Comparative Policy Analysis*, 6, 225–249.
- Katsikas, D. (2010). Non-State Authority And Global Governance. *Review of International Studies*, 36(S1): 113-135.
- Kay, A. and R. Ackrill (2009) Institutional Change in the International Governance of Agriculture: a revised account. *Governance*, 22(3), 483-506.
- Kay, A. and Ackrill, R. (2012) Governing the transition to a biofuels economy in the US and EU: accommodating value conflicts, implementing uncertainty. *Policy and Society*, 31, 295-306.
- Kobrin, S. J. (1991). An Empirical Analysis of the Determinants of Global Integration. *Strategic Management Journal*, 12, 17-31.
- Kobrin, S. J. (2009). Sovereignty @ Bay. In A. M. Rugman (Ed.), *The Oxford Handbook of International Business* (2nd ed.) (pp. 183-204). Oxford, UK: Oxford University Press.
- Kobrin, S. J. (2011). The Transnational Transition and the Multinational Firm. *Dynamics of Globalization: Location-Specific Advantages or Liabilities of Foreignness? Advances in International Management*, 24, 5-23.
- Koehn, P. H., & Rosenau, J. N. (2002). Transnational Competence in an Emergent Epoch. *International Studies Perspectives*, 3, 105-127.

- Kooiman, J. (Ed.) (1993). *Modern Governance: new government-society interactions*. London: Sage.
- Krasner, S. D. (1999). *Sovereignty: Organized Hypocrisy*, Princeton, NJ: Princeton University Press.
- Larsson, O. L. (2013). Sovereign Power Beyond the State: a critical reappraisal of governance by networks. *Critical Policy Studies*, 7, 99-114.
- Lydgate, E. B. (2012). Biofuels, sustainability and trade-related regulatory chill. *Journal of International Economic Law*, 15, 157-180.
- Matthews, F. (2012). Governance and State Capacity. In D. Levi-Faur (Ed.), *The Oxford Handbook of Governance* (pp. 281-293). Oxford, UK: Oxford University Press.
- Mytelka, L. A. (2000). “We the People”: the transformation of state-TNC relations at the turn of the millennium. *Journal of International Management*, 6, 313-325.
- Parsons, W. (2004). Not Just Steering but Weaving: Relevant Knowledge and the Craft of Building Policy Capacity and Coherence. *Australian Journal of Public Administration*, 63, 43-57.
- Pierre, J., & Peters, B. G. (2000). *Governance, Politics and the State*. Basingstoke, UK: Palgrave Macmillan.
- Ponte, S. (2013). ‘Roundtabling’ Sustainability: lessons from the biofuel industry. *Geoforum*, Article in Press. <http://dx.doi.org/10.1016/j.geoforum.2013.07.008>.
- Ponte, S. (2014). The Evolutionary Dynamics of Biofuel Value Chains: from unipolar and government-driven to multipolar governance. *Environment and Planning A*, 46, 353-372.
- Rhodes, R. A. W. (1994). The hollowing out of the state. *The Political Quarterly*, 65, 138–151.

- Richardson, J. (2012). New Governance or Old Governance? A Policy Style Perspective. In D. Levi-Faur (Ed.), *The Oxford Handbook of Governance* (pp. 312-324). Oxford, UK: Oxford University Press.
- Rizopoulos, Y. A., & Sergakis, D. E. (2010). MNEs and Policy Networks: institutional embeddedness and strategic choice. *Journal of World Business*, 45, 250-256.
- Rosenau, J. N. (1992). Governance, Order and Change in World Politics. In J. N. Rosenau and E.-O. Czempiel (Eds.), *Governance Without Government: Order and Change in World Politics* (pp. 1-29). Cambridge Studies in International Relations 20. Cambridge, UK: Cambridge University Press.
- Rosenau, J. N., & Czempiel, E.-O. (Eds.) (1992). *Governance Without Government: Order and Change in World Politics*. Cambridge Studies in International Relations 20. Cambridge, UK: Cambridge University Press.
- Rosenau, J. N. (1995). Governance in the Twenty-First Century. *Global Governance*, 1, 13-43.
- Rosenau, J. N. (2007). Governing the Ungovernable: the challenge of a global disaggregation of authority. *Regulation and Governance*, 1, 88-97.
- Sørensen, E., & Torfing, J. (2007). Introduction. Governance Network Research: towards a second generation. In E. Sørensen, & J. Torfing (Eds.), *Theories of Democratic Network Governance* (pp. 1-21). Basingstoke, UK: Palgrave Macmillan.
- Steffek, J. (2013). Explaining Cooperation Between IGOs and NGOs – push factors, pull factors, and the policy cycle. *Review of International Studies*, 39(4), 993-1013.
- Stone, D. (2008). Global Public Policy, Transnational Policy Communities, and Their Networks. *The Policy Studies Journal*, 36, 19-38.

- Strange, S. (1996). *The Retreat of the State: the diffusion of power in the world economy*. Cambridge Studies in International Relations 49. Cambridge, UK: Cambridge University Press.
- Symons, J. (2011). The Legitimation of International Organisations: examining the identity of the communities that grant legitimacy. *Review of International Studies*, 37, 2557-2583.
- Taylor, A. (2000). Hollowing Out or Filling In? taskforces and the management of cross-cutting issues in British government. *British Journal of Politics and International Relations*, 2, 46-71.
- Teegen, H. (2003). International NGOs as Global Institutions: using social capital to impact multinational enterprises and governments. *Journal of International Management*, 9, 271-285.
- Teegen, H., Doh, J. P., & Vachani, S. (2004). The Importance of Nongovernmental Organizations (NGOs) in Global Governance and Value Creation: an international business research agenda. *Journal of International Business Studies*, 35, 463-483.
- Vernon, R. (1971). *Sovereignty at Bay: the multinational spread of U.S. enterprises*. London: Longman.
- Vernon, R. (1977). *Storm Over the Multinationals: the real issues*. Cambridge, MA: Harvard University Press.
- Vernon, R. (1981). Sovereignty at Bay: Ten Years After. In T. H. Moran (Ed.), *Multinational Corporations: the political economy of foreign direct investment* (pp. 247-259). Lexington, MA: Lexington Books.
- Vernon, R. (1991). Sovereignty at Bay: twenty years after. *Millennium – Journal of International Studies*, 20, 191-195.
- Vernon, R. (1998). *In the Hurricane's Eye: the troubled prospects of multinational enterprises*. Cambridge, MA: Harvard University Press.

- Willetts, P. (1996). Who Cares about the Environment? In J. Vogler, & M. F. Imber (Eds.), *The Environment and International Relations* (pp. 120–137). London: Routledge.
- Wolf, K. D. (2006). Private Actors and the Legitimacy of Governance Beyond the State: conceptual outlines and empirical explorations. In A. Benz, & Y. Papadopoulos (Eds.), *Governance and Democracy: comparing national, European and international experiences* (pp. 200-227). London: Routledge.
- Wolf, K. D. (2008) Emerging Patterns of Global Governance: the new interplay between the state, business and civil society. In A. G. Scherer, & G. Palazzo (Eds.), *Handbook of Research on Global Corporate Citizenship* (pp. 225-248). Cheltenham, UK: Edward Elgar.
- Zahariadis, N. (2003) *Ambiguity and choice in public policy: political manipulation in democratic societies*, Washington, DC: Georgetown University Press.