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MODELLING THE INTERDEPENDENCE OF POLICY-MAKING PROCESSES  
University of Greifswald – WiSe 2017/18 – Seminar with blocked sessions

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Consultation: Wednesday 13:00–14:00 (by appointment only)

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## I. Course description

New policies often spread across borders and jurisdictions, even without being actively promoted by institutions. This phenomenon is called “diffusion” and can be empirically observed and measured. One central element of diffusion research is that explanatory approaches of policymaking are extended beyond domestic influences to include the exogenous transnational factors that influence the policy making-process. Since diffusion is a decentralized process of emulation and learning, the analysis of interdependence of policymakers is crucial.

The seminar focuses on diffusion of policies and how institutional constraints and objectives can either inhibit or encourage information exchange. We will look at theoretical foundations of diffusion and different forms of operationalizations. In the empirical section of the seminar, we will look at diffusion processes in the area of political economy, i.e. neoliberal reforms in general, tax policies, retrenchment of welfare policies, and consolidation of new labour market policies.

The aim of the seminar is to enable students to conduct an empirical analysis with the inclusion of variables that operationalize spatial interdependence, so-called spatial lags. The seminar is structured in six block sessions at the beginning of the semester, which allows students to begin work on their term papers early. The sessions are designed to have a direct relationship to the term papers and offer instructions on how to generate spatial lag variables for the purpose of analysis and opportunities for discussing the research design of the term paper.

## II. Course assessment

### Term paper

- Topic of term paper should preferably be in political science or economy.
- Quantitative-empirical design including a spatial analysis is **mandatory**.
- Deadline for paper submission is September 1<sup>st</sup>.
- Submission of paper i) via email (with replication files and dataset) **and** ii) a physical copy.
- Paper must consist of 20–25 pages of continuous text (excluding graphs, tables, and references)
- 12pt font size, with serifs, 1.5 line spacing
- Fully justified text, including hyphenation
- 2.5cm margins on all sides
- Paper can be written either in English or German.

### III. Course outline

#### Introduction (April 13<sup>th</sup>)

*Description:* This session is for introductory purposes.

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#### 1<sup>st</sup> block: ‘Galton’s problem’ (April 20<sup>th</sup>)

*Description:* The first session is dedicated to ‘Galton’s problem’ – the theoretical foundation of why it is important to pay attention on interdependence when reasoning about similar developments in different jurisdictions. This session will set the foundation of understanding *why* it is important to integrate aspects of diffusion when investigating policy change.

- Braun, D., and Gilardi, F. (2006). Taking ‘Galton’s problem’ seriously: Towards a theory of policy diffusion. *Journal of Theoretical Politics*, 18(3): 298–322. doi:[10.1177/0951629806064351](https://doi.org/10.1177/0951629806064351)
- Jahn, D. (2006). Globalization as ‘Galton’s problem’: The missing link in the analysis of diffusion patterns in welfare state development. *International Organization*, 60(2), 401–431. doi:[10.1017/S0020818306060127](https://doi.org/10.1017/S0020818306060127)
- Ross, M. H., and Homer, E. (1976). Galton’s Problem in Cross-National Research. *World Politics*, 29(01), 1–28. doi:[10.2307/2010045](https://doi.org/10.2307/2010045)
- Brueckner, J. K. (2003). Strategic interaction among governments: An overview of empirical studies. *International regional science review*, 26(2): 175–188. doi:[10.1177/0160017602250974](https://doi.org/10.1177/0160017602250974)
- Elkins, Z., and Simmons, B. (2005). On waves, clusters, and diffusion: A conceptual framework. *The ANNALS of the American Academy of Political and Social Science*, 598(1), 33–51. doi:[10.1177/0002716204272516](https://doi.org/10.1177/0002716204272516)
- Franzese, R. J., and Hays, J. C. (2008). Interdependence in comparative politics: Substance, theory, empirics, substance. *Comparative Political Studies*, 41(4-5), 742–780. doi:[10.1177/0010414007313122](https://doi.org/10.1177/0010414007313122)
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#### 2<sup>nd</sup> block: Spatial lags (April 27<sup>th</sup>)

*Description:* The second session is dedicated to the question of *how* to implement implications of ‘Galton’s problem’ in empirical analyses. Therefore, different forms of operationalization of variables that capture interdependence, so-called spatial lags, will be discussed.

- Beck, N., Gleditsch, K. S., and Beardsley, K. (2006). Space is more than geography: Using spatial econometrics in the study of political economy. *International Studies Quarterly*, 50(1), 27–44. doi:[10.1111/j.1468-2478.2006.00391.x](https://doi.org/10.1111/j.1468-2478.2006.00391.x)
- Elhorst, J. P. (2014). Spatial Panel Models. In: Fischer, M. M., and Nijkamp P. (eds.), *Handbook of Regional Science*. Springer Berlin Heidelberg, pp. 1637–1652. doi:[10.1007/978-3-642-23430-9\\_86](https://doi.org/10.1007/978-3-642-23430-9_86)
- Maggetti, M., and Gilardi, F. (2016). Problems (and solutions) in the measurement of policy diffusion mechanisms. *Journal of Public Policy*, 36(1), 87–107. doi:[10.1017/S0143814X1400035X](https://doi.org/10.1017/S0143814X1400035X)
- Makse, T., and Volden, C. (2011). The role of policy attributes in the diffusion of innovations. *The Journal of Politics*, 73(1), 108–124. doi:[10.1017/S0022381610000903](https://doi.org/10.1017/S0022381610000903)
- Neumayer, E., and Plümper, T. (2012). Conditional spatial policy dependence: theory and model specification. *Comparative Political Studies*, 45(7), 819–849. doi:[10.1177/0010414011429066](https://doi.org/10.1177/0010414011429066)
- Neumayer, E., and Plümper, T. (2016). W. *Political Science Research and Methods*, 4(1), 175–193. doi:[10.1017/psrm.2014.40](https://doi.org/10.1017/psrm.2014.40)
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### 3<sup>rd</sup> block: Application (May 4<sup>th</sup>)

*Description:* In the third session we focus on the construction and application of spatial lags. Several different forms for creating spatial lags and how to implement them in a quantitative analyses will be discussed. Please bring a notebook with Stata and R installed.

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### 4<sup>th</sup> block: Diffusion of policies (May 18<sup>th</sup>)

*Description:* The fourth session is dedicated to the empirical application of spatial lags when investigating the diffusion of policies. Eight different studies from four different topics (privatization and liberalization, taxes, active and passive labour market policies) will be discussed and their research designs and operationalizations of spatial lags will be compared.

#### Neoliberalism and interdependence

Schmitt, C. (2014). The diffusion of privatization in Europe: Political affinity or economic competition? *Public Administration*, 92(3), 615–635. doi:[10.1111/padm.12068](https://doi.org/10.1111/padm.12068)

Simmons, B. A., and Elkins, Z. (2004). The globalization of liberalization: Policy diffusion in the international political economy. *American Political Science Review*, 98(1), 171–189. doi:[10.1017/S0003055404001078](https://doi.org/10.1017/S0003055404001078)

#### Diffusion of tax policies

Cao, X. (2010). Networks as channels of policy diffusion: Explaining worldwide changes in capital taxation, 1998–2006. *International Studies Quarterly*, 54(3), 823–854. doi:[10.1111/j.1468-2478.2010.00611.x](https://doi.org/10.1111/j.1468-2478.2010.00611.x)

Plümper, T., Troeger, V. E., and Winner, H. (2009). Why is there no race to the bottom in capital taxation? *International Studies Quarterly*, 53(3), 761–786. doi:[10.1111/j.1468-2478.2009.00555.x](https://doi.org/10.1111/j.1468-2478.2009.00555.x)

#### Passive labour market policies

Gilardi, F. (2010). Who learns from what in policy diffusion processes? *American Journal of Political Science*, 54(3), 650–666. doi:[10.1111/j.1540-5907.2010.00452.x](https://doi.org/10.1111/j.1540-5907.2010.00452.x)

Schmitt, C., and Obinger, H. (2013). Spatial interdependencies and welfare state generosity in Western democracies, 1960–2000. *Journal of European Social Policy*, 23(2), 119–133. doi:[10.1177/0958928712463159](https://doi.org/10.1177/0958928712463159)

#### Active labour market policies

Franzese, R. J., and Hays, J. C. (2006). Strategic interaction among EU governments in active labor market policy-making: Subsidiarity and policy coordination under the European employment strategy. *European Union Politics*, 7(2), 167–189. doi:[10.1177/1465116506063705](https://doi.org/10.1177/1465116506063705)

Helmdag, J., and Kuitto, K. (2018). Interdependent learning from policy success: Contextual diffusion of active labour market policies. In: Dunlop, C., Radaelli, C., and Trein, P. (eds.). *Learning in Public Policy: Analysis, Modes and Outcomes*. Palgrave MacMillan, forthcoming.

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### 5<sup>th</sup> block: Advances and alternatives (June 1<sup>st</sup>)

*Description:* In the fifth session, we will focus on studies that apply either new or unique approaches towards diffusion research. We will discuss methodological advances, alternative approaches, and possible future developments in diffusion research.

#### Methodological advances

Basinger, S. J., and Hallerberg, M. (2004). Remodeling the competition for capital: How domestic politics erases the race to the bottom. *American Political Science Review*, 98(2), 261–276. doi:[10.1017/S0003055404001133](https://doi.org/10.1017/S0003055404001133)

Konisky, D. M. (2007). Regulatory competition and environmental enforcement: Is there a race to the bottom? *American Journal of Political Science*, 51(4), 853–872. doi:[10.1111/j.1540-5907.2007.00285.x](https://doi.org/10.1111/j.1540-5907.2007.00285.x)

### Alternative approaches to diffusion

Franzese, R. J., Hays, J. C., and Kachi, A. (2012). Modeling history dependence in network-behavior coevolution. *Political Analysis*, 20(2), 175–190. doi:[10.1093/pan/mpr049](https://doi.org/10.1093/pan/mpr049)

Gilardi, F. (2013). Interdependence. In: Maggetti, M., Gilardi F., and Radaelli, C. M. (eds.), *Designing Research In The Social Sciences*. London: SAGE, pp. 138–160.

Weyland, K. (2009). The diffusion of revolution: ‘1848’ in Europe and Latin America. *International Organization*, 63(3), 391–423. doi:[10.1017/S0020818309090146](https://doi.org/10.1017/S0020818309090146)

### Future developments

Gilardi, F. (2016). Four ways we can improve policy diffusion research. *State Politics and Policy Quarterly*, 16(1), 8–21. doi:[10.1177/1532440015608761](https://doi.org/10.1177/1532440015608761)

Jahn, D., and Stephan, S. (2015). The Problem of Interdependence. In: Braun, D., and Maggetti, M. (eds.), *Comparative Politics: Theoretical and Methodological Challenges*. Cheltenham: Edward Elgar, pp. 14–54.

Shipan, C. R., and Volden, C. (2012). Policy diffusion: Seven lessons for scholars and practitioners. *Public Administration Review*, 72(6), 788–796. doi:[10.1111/j.1540-6210.2012.02610.x](https://doi.org/10.1111/j.1540-6210.2012.02610.x)

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## 6<sup>th</sup> block: Final session with discussion of term paper drafts (June 8<sup>th</sup>)

*Description:* In the final session you have to present the draft version of your term papers in which you analyze the diffusion of a certain policy. Presentations should be about 10 minutes and use the [check list for term papers and theses](#) as a guide line. The subsequent discussion should help you in finalizing your term paper.