

Assessing Domestic Adaptation to EU Policy

Detecting Mechanisms at Work

Elin Lerum Boasson



Assessing Domestic Adaptation to EU Policy

Detecting Mechanisms at Work

Elin Lerum Boasson
elb@fni.no

November 2006



FRIDTJOF NANSENS INSTITUTT
THE FRIDTJOF NANSEN INSTITUTE

Copyright © The Fridtjof Nansen Institute 2006

Title

Assessing Domestic Adaptation to EU Policy: Detecting Mechanisms at Work

Publication Type and Number

FNI report 16/2006

Pages

19

Author

Elin Lerum Boasson

ISBN

82-7613-501-3

Programme or Project

ISSN

0801-2431

Abstract

Drawing on earlier works on Europeanisation, this report sketches a theoretical basis for assessing domestic adaptation to EU policy. It suggests that EU policy may target one or all of the four structures underpinning domestic organisational fields: regulative, normative, cognitive, material. Moreover, EU policy may spur effects at four levels: intra-organisational, inter-organisational, intra-field, and/or inter-field. These effects may be triggered directly by the EU targeting domestic organisational actors; they may be interpreted by national political executives prior to being introduced in the domestic setting; or these paths may be combined. On the basis of this rough framework, a fourfold typology of EU-induced effects is presented. This takes into account both the degree of institutionalisation in the domestic organisational field in question and the strength of EU policy. The assumption is that strong EU policy is more likely than weak policy to induce changes in a domestic organisational field. Moreover, a weakly institutionalised organisational field can be assumed to be far more open to EU policy than highly institutionalised fields. Both weak and strong EU policies may work as catalysts for change, but only strong policies are likely to cause change in their own right. Whether this framework provides fruitful insights must be tested through empirical applications.

Key Words

Europeanisation, organisational theory, implementation of EU policy

Orders to:

Fridtjof Nansen Institute
Postboks 326
N-1326 Lysaker, Norway.

Tel: (47) 6711 1900
Fax: (47) 6711 1910
Email: post@fni.no
Internet: www.fni.no

Contents

1	Introduction	1
2	Towards a framework	2
	2.1 Building on the ‘goodness of fit’ approach	2
	2.2 Institutionalisation within domestic organisational fields	4
	2.3 Strength of EU policy	8
	2.4 EU policy may spur effects at four levels	9
	2.5 External events/developments	11
3	A fourfold typology of EU-induced effects	12
	3.1 From descriptive to explanatory typologies of change	12
	3.2 EU policy is strong, policy field is weakly institutionalised	13
	3.3 EU policy is <i>strong</i> , national policy field is <i>highly institutionalised</i>	14
	3.4 EU policy is <i>weak</i> , national policy field is <i>weakly institutionalised</i>	15
	3.5 EU policy is <i>weak</i> , national policy field is <i>highly institutionalised</i>	15
4	Conclusions	16
	Sources	17

Figures and Tables

Figure 1	Pathways and mechanisms through which EU policy influences domestic organisational fields	4
Table 1	Changes in the domestic organisational fields as a result of introduced EU policies	12

1 Introduction¹

We have witnessed an impressive expansion in empirical work on domestic adaptation to EU policies during the past decade. These valuable contributions have increased our understanding of how EU policy constrains and enables the development of domestic policy. Still, as several scholars have recognised, improved theoretical frameworks and models are needed (Andersen 2004: 6; Featherstone and Radaelli 2003 (eds); Kallestrup 2005; Olsen 2002). This paper examines the strengths and weaknesses in the literature and sketches a preliminary framework that may offer a pathway towards remedying this shortcoming.

The EU is but one factor that affects national policy developments: the challenge is to identify the conditions under which the EU is most likely to induce change. The ‘goodness of fit’ or ‘match/mismatch’ approach dominates within the literature on Europeanisation, for explaining variation in the adaptation of EU policy between both nations and sectors (Börzel and Risse 2004; Cowles, et al. (eds) 2001; Knill and Lenschow (eds) 1998 and 2000; Radaelli 2000). Whereas it is evident that initial mismatch represents a potential for change, this is an over-simplification. A more solid theoretical foundation is needed in order for thoroughly understanding domestic adaptation processes. The current literature on Europeanisation of domestic policy is marred by three major weaknesses. Firstly, EU policy is often in focus, so domestic conditions may be underplayed. Secondly, assessments tend to concentrate on formal, regulative features in the policy adoption processes. Central effects of EU policy may be missed in overlooking the normative and cognitive mechanisms through which EU policy works. Lastly, the profound importance of institutional conditions, such as the degree of institutionalisation within the organisational field targeted, is seldom recognised. It is often assumed that adaptation processes are governed by political executives, whereas their room for action may in fact be constrained by the organisational and institutional environments in which they must operate.

It is hoped that the framework sketched here may contribute to better understanding how and to what extent member states adapt to EU policies, and to explaining any variation. Specifically, the framework may answer these questions:

- a. What effects are caused by EU policy?
- b. What characteristics of EU policy increase the ability to induce changes into domestic policies and practices?
- c. What characteristics in domestic organisational fields make them malleable to EU policy?

¹ This article has been developed as part of a RENERGI research project (Norwegian energy technology innovation and diffusion in a global technology market with international commitment) funded by The Research Council of Norway. My thanks to Per Ove Eikeland, Kristine Offerdal, Jon Birger Skjærseth and Jørgen Wettstad for valuable comments on draft versions of this paper.

The next section elaborates a crude framework, building on findings from ‘goodness of fit’-studies, organisational and regime theory. The concept of organisational fields is introduced and the degree of institutionalisation within the field is highlighted as important for understanding adaptation to EU policy. Further, the mechanisms through which EU policy may work are elaborated, and criteria are presented for assessing the strength of EU policies. The final part of the paper, section three, presents a fourfold typology of EU-induced effects, taking into account both the degree of institutionalisation within organisational fields and the strength of EU policy. Finally, some concluding remarks are offered.

2 Towards a framework

2.1 Building on the ‘goodness of fit’ approach

The ‘goodness of fit’ approach holds that EU policy that diverges from the current domestic policy situation will provide a pressure for change. Several scholars have proposed that the size of the misfit between domestic policy and EU policy can be used to explain the level of change introduced by EU policy (see Knill and Lenschow 1998 (eds.); Knill and Lenschow 2001; Radaelli 2000). Some have concluded that medium-sized discrepancy leads to the most change (Cowles et al. (eds) 2001). Work in line with this approach has contributed valuable insights. A central finding is that domestic institutional arrangements and traditions affect the ability of domestic organisational actors to change in accordance with EU policy (Cowles and Risse 2001). Further, many of these scholars have noted that a given EU policy may represent varying potentials for change in different national contexts (Knill and Lenschow 2001; Radaelli 2000; Schmidt 2001), and that different organisational fields within a country will respond differently to adaptation pressure from the EU (Cowles and Risse 2001).

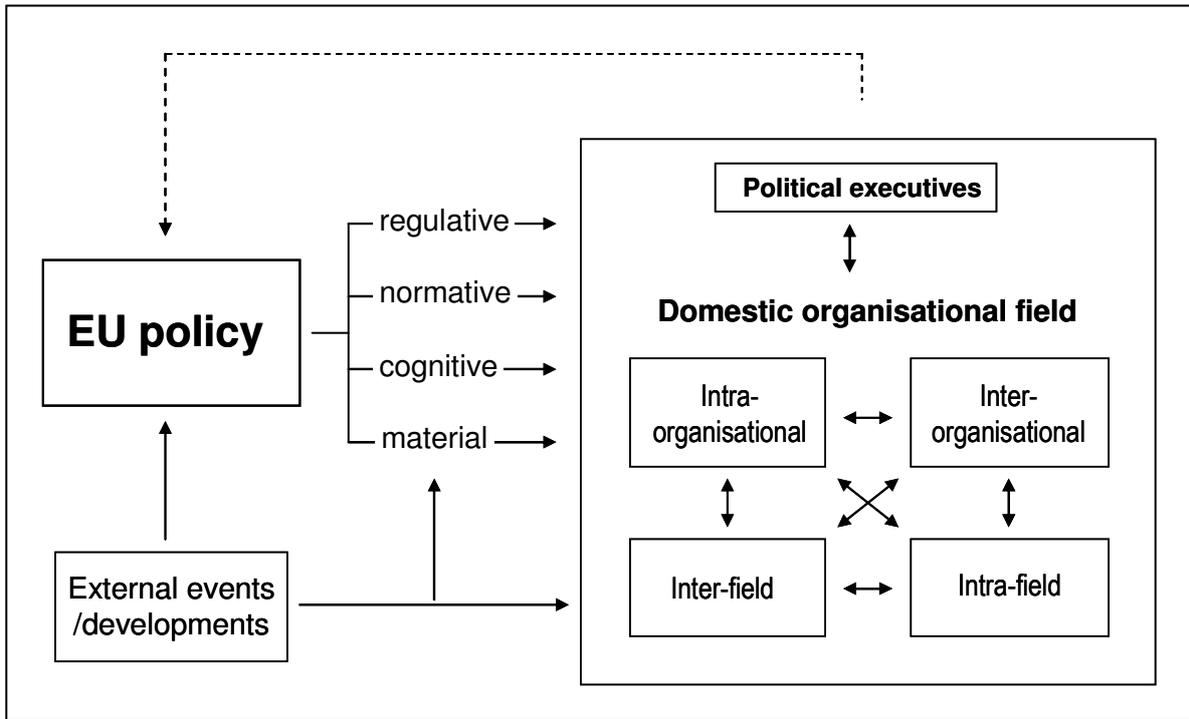
Despite of these valid conclusions, there are disadvantages to the simplicity of the ‘goodness of fit’-approach and the tendency to focus on formal, regulative processes. Kallestrup (2002, 2005) has criticised the bulk of this literature for paying too little attention to the importance of domestic conditions and domestic political processes. He claims that this leads to overestimating the strength of EU policy and underestimating the importance of domestic conditions. Specifically, he highlights the role of domestic organisations in using EU policy to induce political changes, and convincingly shows how such organisations manage to strengthen their stand by creating the impression of strong EU pressure for change. Such tactics conceal domestic power struggles that must be made clear if we are to understand how EU policy affects developments within member states. Kallestrup’s views find further support within the work of other students of Europeanisation, among them Radaelli (2000, 2003) and Bulmer and Radaelli (2004), who recommend that studies of EU policy should be conducted in parallel with investigations of endogenous domestic processes. Further, the need to link the study of domestic political and administrative organisations to developments within international organisations such as the EU is highlighted by scholars adhering to regime theory (see Skjærseth and Wettestad 2002: 113).

A focus on formal, regulative factors will be most fruitful within issue areas where EU institutions have been delegated considerable power, notably concerning single market issues (Bulmer and Radaelli 2004). Studies of fields with more complex governance structures where member states have greater leeway, such as energy and environment policy, presume a broadening of scope (Skjærseth and Wettestad 2002: 104). Applications of the ‘goodness of fit’-approach have been criticised for focusing too much on the formal rules and rational logic at work. The complexity of the adaptation can more easily be grasped by recognising that behavioural patterns are governed by a wide range of socially constructed rules, whose stringency may vary from formally defined routines and roles to mere conventions, beliefs, paradigms and cultures (Börzel and Risse 2004: 10; March and Olsen 1989: 22; 1998: 952; Radaelli 2003). Several empirical works indicate that even EU policies of a vague and unbinding character may lead to substantial domestic change (Bulmer and Radaelli 2004; Kallestrup 2005)

The framework sketched here is based on Radaelli’s definition of Europeanisation as ‘the process of a) construction b) diffusion and c) institutionalisation of formal and informal rules, procedures, policy paradigms, styles, “ways of doing things” and shared beliefs and norms which are first defined and consolidated in the making of EU decisions and then incorporated in the logic of domestic discourse, identities, political structures and public policies’ (Radaelli 2000:4). This definition differs from the crude simplicity of the ‘goodness of fit’ approach in recognising the complexity of the processes at work. Moreover, it acknowledges the need for tracing actual changes in practices, as highlighted by the schools of organisational theory and regime theory (March and Olsen 1989; Scott 1995; Wettestad 1999; Underdal 2002; Miles et al. 2002).

I argue that even though the ‘goodness of fit’-approach has contributed significant insights, a wider range of factors must be taken into account in future assessments of how EU policy affects domestic developments. Figure 1 provides an overview of the mechanisms through which EU policy may work (regulative, normative, cognitive or material mechanisms) and the effects these may lead to within the domestic organisational field in question (intra-organisational, inter-organisational, inter-field and intra-field). Whether the organisational- or field-level effects are triggered directly by the EU or are translated by the political executives may vary. On the one hand, the leeway of political executives is affected by EU policy; on the other, these actors are constrained by conditions within the domestic organisational field in focus. External events and developments must also be taken into account. The various components of this rough framework, and their interrelationships, are elaborated in Figure 1.

Fig. 1 Pathways and mechanisms through which EU policy influences domestic organisational fields



2.2 Institutionalisation within domestic organisational fields

In exploring the mechanisms through which EU policy works, we will employ the concept of organisational fields developed within new organisational theory (see DiMaggio and Powell 1983; Hoffmann 2001; Scott et al. 2000). By ‘organisational field’ is meant those organisations that, in the aggregate, constitute a recognised area of institutional life (DiMaggio and Powell 1983: 148). The existence of an organisational field will depend on the presence of inter-organisational relationships – either through social rules and practices, or functionally by material structures. Organisations may be key governmental bodies, suppliers, demanders, special interest groups or others active within the field in question (DiMaggio and Powell 1983: 148; Hoffmann 2001: 33–34).

Policies are developed in a reciprocal process involving the organisational actors within a field and democratically elected politicians. Substantial changes within a field may be introduced in a top-down fashion by politicians, or the converse: public policies may adjust to changes that have already occurred within the organisational field. Governmental organisations like ministries and agencies are often key organisational actors in the process of developing and implementing policies. Whether it is the organisations that control the political executives or the other way around is an empirical question. This applies to the process of adjusting to EU policy as well as in general processes of policy development. Over time, policy fields may emerge and disappear, grow out of existing fields or merge with other fields (Hoffmann 2001; Scott et al. 2000). The

boundaries between fields may be clearly defined, or have a blurry nature. The strength with which organisations are interconnected, and the degree to which the organisational actors act upon rules of a complementary nature, will differ from field to field. Drawing on Scott (1995, 2001) and Scott et al. (2000), we will consider domestic organisational fields as being embedded within four structures – three of which are socially constructed and one consists of material resources. The social structures may be regulative, normative or cognitive in nature.

The *regulative structure* of a policy field consists of formal rules and requirements. Control and sanctions have major importance here, and the mechanism of compliance will be coercive (Scott 1995:35, 2001:2). Regulative structures work through formal protocols, standards and procedures (Hoffmann 2001:37). The rules are founded in law, but the juridical stringency may vary somewhat. The more general and imprecise the formal rules are, the more leeway will be left to organisational actors within the field, thus weakening the regulative structure as such. Conflict between different rules is another factor that increases ambiguity and thereby reduces the strength of the formal regulative structure. Further, the government's capacity to react to violations of formal rules through severe sanctions will contribute to strengthening the structure.

The *normative structure* of an organisational field sets out the values to be pursued. Actors adhering to normative rules act on the basis of ethical norms, moral views and expectations. Whereas the regulative structure is defined by the government, the normative structure will be shaped by the views of a range of organisational actors. Normative structures are complied with and upheld through social obligation, fear of being regarded as unethical, as a result of social pressure and through mechanisms like 'naming and shaming' (Scott 1995). A clearly defined normative structure will be characterised by a low level of conflict as to values and ethical norms. As noted by regime theorists, normative issues of saliency will attract attention and energy that strengthens the action-guiding effect of normative rules (Wettestad 1999:16). Such a situation may stem from either consensus or the overwhelming dominance of certain actors. Within every field, some organisational actors are likely to pursue diverging normative views. If such groups manage to create strong discourses supporting their arguments, new values and norms may gain importance (Kallestrup 2002).

The *cognitive structure* of a policy field constitutes the nature of reality and provides frameworks through which meaning is created (Scott 1995:40). Bodies of knowledge, models of reality and classifications created through modes of education, learning systems and imitation all create constitutive rules (Scott 1995:44). The cognitive structures point out appropriate actions, strategies and methodologies to be pursued, whether in general or in order to achieve certain normative ends. Cognitively unacceptable actions may be framed as taboos, dismissed as simply unachievable, or just not considered by the actors. Actors that violate cognitive structures are punished by being seen as being more or less 'out of their minds'. As political processes are marked by high complexity and opacity, the actors are likely to be heavily biased when filtering information through the cognitive frameworks they employ to

view the world (Pierson 2004: 38). A high degree of uncertainty and lack of consensus concerning cause–effect relationships will weaken the cognitive structure (Miles et al. 2002: 469; Wettestad 1999: 15). In general, the more coherent and the less flexible a cognitive structure is, the stronger it will be (Brunsson 1993: 494–96). An action guiding cognitive structure will emerge in situations where major organisational actors share views on how the world is to be understood, what actions can be carried out, and what means may be employed in order to reach certain ends. Organisational actors may, in a more or less deliberate manner, affect the orthodoxy that emerges within a field (Hoffmann 2001).

The *material structure* of a policy field represents the availability and distribution of physical, technical and economic resources rather than rules as within the other structures (Scott et al. 2000: 18–19). Both human-made features and nature itself are encompassed by this structure. Also humans are included, to the degree they represent highly specialised competences. The material structure enables and restricts actions, although its impact is mediated by socially defined structures (Hoffmann 2001: 30). Governments may directly target this structure by employing economical instruments, such as taxes and state aid. Scott et al. (2001:18–20) refer to these as material-resource environments that comprise demand-side factors, supply-side factors, technological hardware and industry structure. To this we may add the responses from and vulnerability of the eco-systems in which the physical activities take place. Both supply and demand factors will be affected by human needs, as well as natural resources like the availability of energy sources, climate conditions, etc. The technological hardware refers to infrastructure requirements, technical equipment and technically skilled staff that facilitate the production, transmission and use of resources. The industry structure describes the geographical distribution of providers and demanders within a certain field. The strength of the material structure will depend on the magnitude of economic investments made and the costs involved in changing the existing structure.

The four structures exist in interrelated and mutual dependence and constantly develop and adjust through dynamic processes. The three social structures will always be present, but their primacy may vary over time (Hoffman 2001: 27,173). The degree to which the structures enable or constrain the actions of the organisational actors will depend on the degree of institutionalisation within the field. Institutionalisation processes lead to the development of common action, guiding rules and practices. The more institutionalised a field is, the more resistant it will be to externally introduced policies. Hence, we must assess whether the organisational field in question is strongly or weakly institutionalised, if we are to understand how it may be affected by EU policy. An organisational field can be said to be highly institutionalised if it meets the following criteria: *a) the regulative, normative and cognitive rules within the field are compatible and coherent; b) the organisations are connected to each other by a range of ties, whether socially and physically (cf horizontal institutionalisation, Krasner 1988); c) the cognitive structure is the most important structure that guides action (cf vertical institutionalisation, Krasner 1988).*

Highly institutionalised organisational fields tend to reject external policy elements that do not reinforce internal processes. They may not necessarily be marked by stability, but can evolve incrementally, driven by path-dependent positive feedbacks. In such fields, the policy process will tend to be rather depoliticised, with a low level of conflict (Boasson 2005). Such situations may reflect earlier power struggles and the fact that former strategic choices over time have been institutionalised (Pfeffer 1981). Path dependence in the sense of 'social processes that exhibit positive feedback and thus generate branching patterns of historical development' will strengthen institutionalisation processes within a field over time (Pierson 2004:21). In such circumstances, a set of organisational actors will gradually become increasing able to determine the rules and aims that prevail in all the social structures (Pfeffer 1981; Pierson 2004: 36–37). Accordingly, power imbalances may be magnified over time, even as those imbalances become less visible (Pierson 2004:48). Few if any organisations within highly institutionalised fields will welcome an EU policy that contrasts with the situation existing within the field; and those few who might be positively inclined will not, at least not at the outset, be strong enough to challenge the powers of the dominant coalition.

Non-institutionalised policy fields will be characterised by widespread confusion, tension, or paradigmatic uncertainty (Hoffmann 2001: 194; Pfeffer 1992: 327). The organisational actors will engage in either bargaining processes or more consensus-like search processes. Such fields ensure latitude and stimulate autonomy and innovation (Scott et al. 2001: 362). Merging organisational fields and fields with blurred boundaries will probably be weakly institutionalised. Internal and external pressure will affect which factors are institutionalised and the degree of institutionalisation that emerges (Selzik 1957). In targeting non-institutionalised organisational fields, politicians have greater leeway to affect field developments independently. Moreover, such fields tend to be prone to adapt to EU policies.

There is no such thing as absolute or permanent stability; thus it will never be totally impossible to induce political changes within highly institutionalised organisational fields (Pierson 2004:53). Even though a field is institutionalised, it will contain the seeds of change (Hoffman 2001:202). Aggrieved and not co-opted actors can be important sources of political and institutional change; here their power (in social and material terms) is crucial to their ability to induce changes (Pierson 2004:138, 155). Organisational actors may exist within multiple fields, and their ability to affect developments may vary between fields (Hoffmann 2001: 35; Scott 2001: 75). The power of organisational actors in terms of their ability to trigger mechanisms within the four structures of a field may vary between the fields in which they participate (cf Pierson 2004:73). Inconsistencies between and within structures will become especially severe when conflicts follow organisational boundaries. EU policies ought to have a destabilisation potential in order to change highly institutionalised policy fields. As de-institutionalisation opens the field to external pressure in general, unintended consequences may occur as a result of such processes.

2.3 Strength of EU policy

Politics are inherently ambiguous, due to the complexity of goals, diffuse and often poorly understood links between actions and outcomes (Pierson 2004:114). The very nature of policy development within the EU is likely to increase the severity of these characteristics. EU policies are developed in constant contest between a wide range of actors with vastly differing points of view (Olsen 1997). The institutions of the EU, its member states and diverse interest organisations all participate in the complex processes of bargaining, imitation and diffusion (Radaelli 2000:6). This may give rise to a patchwork of normative, cognitive, and regulative rules and material resources that may resemble and reinforce each other, or be diverging and contradictory (Börzel and Risse 2004: 6). Considerable social and cultural differences and the often long time horizon from policy-making to actual implementation increase the ambiguities of EU policies (Sverdrup 2005:22).

The European Union may target the four structures through its political agenda, policy-initiating processes, policy signals in written documents, in follow-up activities and the conduct of its officials. The process of policy development within the EU contributes in itself to the spreading of new rules and practices to domestic policy fields. Historically, the EU has first and foremost targeted the regulative structure through binding requirements (Sverdrup 2005: 4; Laffan 2001: 713; Skjærseth and Wettestad 2002). Member states are obliged to follow regulative rules such as treaty provisions, regulations, decisions, directives and Court of Justice rulings. In most instances, EU legislation is implemented and enforced domestically. Various forms of coercive mechanisms are employed, including formal infringement procedures and the imposition of fines (Sverdrup 2005:8). With the increasing scope and geographical range of EU policies has come enlargement also in the scope of means applied to influence domestic policy developments, working as supplements or substitutes to targeting regulative structures.

The EU targets normative domestic structures by promoting certain norms and values in its action plans, green books, white books, minimum directives and non-compulsory regulations – sometimes backed by formal regulation, sometimes not. Its normative follow-up activities, which are softer and more subtle than formal infringement procedures, encompass the monitoring of national performance in relation to aims and values, benchmarking national achievements, and promoting certain values through policy networks or the conduct of EU officials.

The EU targets domestic cognitive structures by imposing cognitive discourses as to what is possible to do and to achieve, and – in the extreme – introducing options to which there is no alternative (Cowles and Risse 2001: 219). These EU-induced cognitive elements can be said to be fully internalised in domestic cognitive structures when they are taken for granted and not questioned by actors within the domestic organisational field (Scott 1995: 44). The EU presents cognitive rules by describing and recommending certain methodologies, procedures or classification schemes, through policy documents and more informal publications. In the recent past, the Commission has greatly expanded its

modes of cognitive follow-up activities – appointing technical expert groups of various kinds, participating in administrative and policy networks, setting up high-level forums and arranging conferences for information sharing. Also of importance is the personal conduct of EU officials. With both cognitive mechanisms as well as other social rules, the strength of the message will depend not only on the clarity of the rule but also on the range and force of follow-up activities.

The EU influences the domestic material structure by project funding affecting the technological hardware or industry structure. Through such means the EU may influence which kinds of infrastructure and production facilities will be improved, or conversely, which will lose importance over time. In addition, the EU may more directly bring about change in the market conditions affecting both supply and demand, by using its power to interfere in various markets directly. This will often be related to what is commonly termed ‘negative integration’ (Bulmer and Radaelli 2004).

In taking into account the broad range of rules pursued by the EU, the strength of the policy will be assessed in accordance with the traditional regime-theory approach that underlines the importance of coherence and specificity (Krasner 1982: 189; Wettestad 1999: 9). The stronger EU policy, the more likely will it be to succeed in penetrating domestic systems of governance. EU policy will be strong if it *a) contains coherent, specific and consistent rules targeting several structures within a domestic policy field; and b) includes follow-up activities in accordance with these.*

The term ‘EU policy’ covers all the political agreements, EU activities and initiatives which target the domestic organisational field in focus. Thus various directives or other kinds of EU documents and activities may be regarded as part of a policy. It may be difficult to implement policies with no clear cognitive and normative dimensions, as these will often lack the potential to create strong public discourses capable of convincing the public of the necessity for change (Schmidt 2001: 8). This may lead to de-coupling: the formal requirements are implemented but it does not lead to actual changes in practice. On the other hand, a policy dominated by normative and cognitive rules while lacking regulative and material features may lead to symbolic changes while the actual practices stay unaffected.

2.4 EU policy may spur effects at four levels

When targeting the four structures, EU policy may trigger mechanism within one or more of the structures; thus regulative, normative, cognitive or material mechanisms within the domestic organisational field in focus may be set at work. As will be elaborated in part three of this paper, these mechanisms will not necessarily work in line with the content of EU policy; misinterpretations or counter-reactions to the policy presented by the EU may occur. Nonetheless, mechanisms set at work by EU policy potentially spur effects at four levels: intra-organisational, inter-organisational, intra-field and inter-field. The ramification of EU policy will depend on the number of effects it spurs and the level of these effects.

Intra-organisational effects are changes in the prevalent social rules at work within single organisations in a field or the material resources the organisation act upon. The effects may stem from introduction of new rules, alternation of values, changes in cognitive perceptions or physical changes of some kind. These effects may take various forms, such as creation of a new department wherein the members act on the basis of other rules than the rest of the organisation, elimination of departments in which certain specific rules or practices had prevalence or changes in the action guiding rules affecting all or specific members of the organisation. Intra-organisational effects relates to what is required of the organisational members, what they perceive as doable or desirable, or the actions actually achievable in economic or practical terms. Intra-organisational effects may substantially change performance and behaviour of the organisations they target, and over time they may trigger effects at other levels. In situations where all organisations within a field are affected we are witnessing a field level effect and not merely an intra-organisational effect.

Interconnectedness between organisations defines which organisations that are regarded as part of the field. Thus, *Inter-organisational effects* relates to the number and kind of connections between organisations and the kind of organisations included in the field. Organisations may be connected through hierarchical arrangements or diverse kind of juridical agreements, be joined up in normative initiatives, participate in common efforts of improving knowledge and methodologies, be interlinked through marked arrangements or use of the same physical research base. As a result of ties that are removed, introduced strengthened or weakened the organisations present within the field may be altered. New organisations may be introduced (that may be old but did not exist within the field previously), organisations may exit the field or be eliminated as such. Inter-organisational effects have the potential of changing the field development processes and the internal power distribution. Further, it may spur effects at other organisational and field level over time.

Intra-field effects refer to institutional changes affecting all the organisations within a field. Both changes in the degree of institutionalisation and alternations in the cognitive, normative or regulative rules or material structures within the field have to be taken in to account. Introduction of new social rules, exit of rules or merely changes in the prevalence of rules, diversification or unification of rules will affect the institutionalisation process. In addition, material effects will be important at this level as well; when the economic or physical development contrasts with the prevailing rules and practices within the field, the institutionalisation process will be hampered. Intra-field level effects relates to what is required of all the organisational actors within the field, what is perceived as doable or desirable by all organisations, or the actions that is actually achievable within the material system of the field. Intra-field effects are of major importance when it comes to both political and actual development within the field in question. In particular, such effects are of importance when it comes to how the field will react to future pressure from external events and developments.

Inter-field effects are changes in the boundaries between fields, emergence of new organisational fields, merging of fields or extinction of fields. The existence of an organisational field is a precondition for EU policy to lead to major domestic consequences; if no field is constructed around a political issue, the political signals from Brussels will probably not be received. On the other hand, firm boundaries between fields work as obstacles to regarding developments within the fields in conjunction with each other. Inter-field level effects will have consequences for all the fields involved. Moreover, such effects are those with the largest potential for spurring major social, environmental and political changes beyond the boundaries of the fields in question.

EU policy initiatives, development, implementation, revision and additional follow ups, will all potentially affect domestic organisational fields. The effects may occur early – prior to final agreements within the EU, or later – after substantial follow ups from the EU organisations. The effects may be triggered directly by the organisational actors or be induced hierarchically by the political executives. In the latter case, the politicians are in charge of interpreting the EU policy, whereas in the latter the organisational actors interpret the EU policy themselves. Organisational actors can receive information of the EU policy as a result of their participation in the policy development process at EU level or because the EU have targeted them directly. The question of whether the organisational actors or the politicians lead the process of adaptation makes out a research question in the study of adaptation to EU policy. The extent to which politicians are able to interpret EU policy without being affected by field dynamics may differ from field to field, and from one EU policy to another.

EU induced effects at one level will probably trigger effects at higher or lower levels or both. Effects at all four levels may alter the power distribution within the field substantially, in the meaning of which organisations that determine the rules which the others act upon. In some instances initial effects of adaptation to EU policy may create positive feedback by repeatedly causing the same effect at the same level or by spurring effects at other levels (Pierson 2004:147–53). Reinforcing processes will enlarge the effect of the EU policy substantially over time. When the value of assets and procedures within an organisation or a field have come to depend on the rules or resources introduced as a result of adaptation to EU policy, the field will be difficult to change in other directions later.

2.5 External events/developments

In assessments of EU policy adaptation, it ought to be taken into account that external developments, such as policies developed in interlinking international regimes, or external events, such as rapid changes in the demand or supply of a commodity or a major energy-related crisis, may affect both the mechanisms at work and the effect they have. Such factors must be noted, but will not be elaborated further in this paper.

3 A fourfold typology of EU-induced effects

The theoretical outline may guide our understanding of the structures and mechanisms that EU policy works through, but additional clarification is needed in order to find answers to the questions referring to how EU policy and domestic policy fields interact. Roughly four kinds of situations may result from introduction of EU policy (see Table 1). Subsequently, I will elaborate this fourfold typology of change in which both the strength of EU policy and the degree of institutionalisation within the domestic policy fields is taken into account. It is presupposed that when domestic policy is poorly institutionalised, the EU policy is likely to affect national policy field developments be it weak or strong. Conversely, only strong EU policy will affect highly institutional national policy fields, although these changes may be difficult to outline in a straight forward fashion.

Table 1 Changes in the domestic organisational fields as a result of introduced EU policies

	Weakly institutionalised domestic organisational field	Highly institutionalised domestic organisational field
Strong EU policy	<i>1) Changes in line with EU policy</i>	<i>2) Strengthening of existing characteristics/Emergence of EU-induced policy layers</i>
Weak EU policy	<i>3) Fragmented adjustments to EU policy</i>	<i>4) Minor changes</i>

3.1 From descriptive to explanatory typologies of change

Radaelli (2000) has proposed a classification of domestic policy change resulting from Europeanisation. He describes four outcomes. The first is 'inertia', which he describes as lack of change. He emphasises that inertia can be impossible to sustain in the long term. Second, 'absorption' indicates change as adaptation. This is change in the 'logic' of political behaviour without real modification of the essential structure. Third, 'transformation' is third-level paradigmatic change; and fourth, 'retrenchment' is the paradoxical situation where EU policy is counterproductive by strengthening the existing domestic policy. As the typology of Radaelli makes clear that EU policies will affect domestic policies in varying ways and degrees, it provides a good starting point for assessing EU policies. On the other hand, its strength is descriptive, not explanatory. Neither does it have a clearly defined time span for the pattern of changes observed. Because it does not take slow-moving processes of change within the domestic fields into account, one risks both over and underestimating the effect of EU policies (cf. Pierson 2004:99). Hence, it needs further refinement.

Whether EU policy affects the factors it aims to change directly, or through long causal chains, must be taken into account. In the latter case, there is likely to be a substantial time lag between the introduction of the

policy and the effects occurring (Pierson 2004:87). Moreover, whether or not EU policy is introduced at a time when the domestic policy field has become institutionalised will be of utmost importance to the kind and degree of change it will cause. This is in line with Pierson's (2004: 54–78) arguments about the importance of sequencing. EU policy may either reinforce existing trajectories within a policy field, or challenge them. Any EU policy will probably be far more important in the stage of field formation, than later on when the process of institutionalisation has got underway. Nonetheless, it is important to assess whether EU policy has a potential to reinforce the social processes in a path-dependent way or pose a challenge to these, especially if the domestic policy field in focus is highly institutionalised. In such instances, reinforcing elements are likely to affect the field by empowering the existing processes, whereas EU policies with a diverging content are likely to be rejected. In the former case, the EU will act more as a facilitator than an actual source of change.

With its focus on match and mismatch, the 'goodness of fit' approach risks directing our attention towards the dramatic and away from the important. It is reasonable to assume that an EU policy closely in line with the existing situation within the domestic organisational field may reinforce the institutionalisation process within a field and subsequently strengthen the power basis of the organisations that stand to gain most from the present situation. As noted by Pierson (2004: 166): 'Policies that start small may, if conditions are right for self-reinforcement or if unintended consequences are large, end up being extremely significant'. Hence, both policies which are close to domestic policies, as well as vague, ambiguous or contested EU policies may potentially induce effects.

3.2 EU policy is strong, policy field is weakly institutionalised

When the EU policy is strong, the organisational field is likely to change in line with it. At the outset, the domestic situation will be somewhat in flux. Either it will be marked by continuous negotiations among organisational actors, open search process for new problems, solutions or decision possibilities, or a combination. If search processes dominate, many of the organisational actors may be receptive to external proposals. If the situation is marked by negotiations, some organisations may be more reluctant towards policies introduced externally, but no coalitions will be strong enough to oppose changes. Neither will they join forces in order to avoid change. Thus, the EU policy is likely to lead to transformation in line with the inherent potential for change.

Regardless of the discussions that may arise, EU policies are most likely to lead to changes. One exceptional circumstance thus ought to be mentioned. Whereas the social rules and processes will be somewhat malleable, the material structure may severely constrain the process of change. If the physical distribution of resources diverges substantially from the EU policy, or if the resource base is scarce, this may profoundly obstruct the adaptation process. In general however, the speed and force of the process will depend on the features of the EU policy in question. EU policies will work through intra and/or inter-organisational mechanisms at first. In every instance, the effects may become augmented in the

longer run because the policy will work to empower organisational actors in favour of it, and subsequently perhaps spur effects at the field level. When the EU policy is strong, it may potentially interfere with institutionalisation processes within the field. The important of this will depend on the content of the specific policy and other external events. If the policy introduced differs vastly from the current functioning of the domestic field, the field may be transformed.

3.3 EU policy is *strong*, national policy field is *highly institutionalised*

Such situations will either spur the institutionalisation process and thus strengthen the existing institutionalisation process, or lead to the emergence of EU-induced policy layers. The former will occur if the EU policy works to fuel existing mechanisms at the organisational or field level. More complex political processes are likely to emerge if EU policy challenges the current characteristics of the organisational field. Whether as a result of widespread support for the established situation, or the existence of a strong winning coalition, major protests will arise. The defence of the existing situation will be forceful and usually prolonged. Lack of acceptance will impede changes from being realised. In the short term the introduction of the EU policy may seem counterproductive. The very strength of the EU policy will, however, preclude its being totally ignored. Power struggles between EU institutions on the one hand and the governmental organisations aligned with other major organisational actors on the other may prove long-lasting.

As the EU will keep pressing for change, domestic actors will not be powerful enough to win these power struggles in the long run. Eventually, continuous pressure for change from the EU will lead to some degree of destabilisation within the field (Börzel 2000; Cowles and Risse 2001: 229; Haverland 2000 and 2003). This may happen incrementally, or emerge abruptly if the equilibrium within the field is disturbed. The former is likely to occur through an accumulation of effects induced at organisational levels which over time spur field-level effects, whereas the causal chains in the latter situation are the other way around. Destabilisation will lead the features of the organisational field to be changed, but probably not in perfect alignment with EU policy. Due to substantial initial resistance, some of the original elements of the former policy are likely to remain. Whether the EU policy introduces minor changes or revolutionary shifts, adaptation will still be founded on the building blocks of the institutional structures as they existed at the outset (Hoffman 2001: 194). The introduction of EU policy will result in layering, a process which involves the partial renegotiation of some elements while leaving others in place (Thelen 2003: 225). Parallel or potentially subversive institutional tracks and policy features may thus be created (Pierson 2004: 137). This will probably increase the complexity of domestic governance structures, and, in the long run, such layered arrangements may present a successful challenge to the institutional status quo.²

² It may be that the EU policy initially targeted an organisational field that did not exist within the country in question. In such cases, a process somewhat similar to that described above will occur, leading to the emergence of a new organisational field.

3.4 EU policy is *weak*, national policy field is *weakly institutionalised*

The organisational field will probably fragmentally adjust to the EU policy. The amount of force needed to trigger effects within weakly institutionalised fields may be remarkably small. The crucial condition for change to occur is the existence of national organisational actors able to exploit the opportunities provided by the introduction of EU policy, and the existence of an organisational field to receive the policy (Pierson 2004: 72–73). Organisational actors may use EU policies in order to develop discourses working to legitimate changes by creating intra-field level changes (Kallestrup 2002). Experience has shown that weak EU policy can strengthen domestic organisational actors by enabling them to institutionalise discourses at field level, explained as ‘Europe made me do it’, or that there is no alternative to the EU policy (Cowles and Risse 2001; Kallestrup 2002; Radaelli 2000: 18). If the organisational field as such is not characterised by a cacophony of diverging views but by widespread search processes, EU-introduced elements may fuel learning processes. In that case, intra-field mechanisms may enlarge the pool of ideas and/or change the direction of search (Levitt and March 1988).

As the organisational actors will have major leeway to adjust the EU policy, they will probably select those elements of the EU policy that best fit their interests. Also other kinds of input to the domestic organisational field arriving simultaneously may affect the development of policy. Even though national actors will enjoy significant leeway in adjusting to the EU policy, the long-term effects may nonetheless be substantial. Here we must bear in mind that large effects do not necessarily have large causes (Levitt and March 1988: 323; Pierson 2004: 51).

3.5 EU policy is *weak*, national policy is *highly institutionalised*

In such situations, EU policy will at most introduce minor changes. Even when EU policy reflects the views of strong organisations, it may be too weak to strengthen the institutionalisation process within the field. Elements diverging from the present situations will be regarded as interruptions to well-functioning processes, unsuitable for the current situation, morally inappropriate, utopian, unrealistic or perhaps merely unachievable. Accordingly, few actors will engage in defence of the EU policy. Any that might try to defend it will probably have a weak power basis, and their positions will not be substantially strengthened by introduction of the EU policy. And this means that they are unlikely to succeed in promoting change. As a result, EU policy will be rejected or disregarded, without causing major political controversies. Further, EU policy will probably attract scant attention over time, and many organisations within a field may never even hear about it. If minor adjustments are carried out, they will tend to be symbolic, or practices and behaviours will be decoupled from formal requirements. In the long run, such adjustments may result in some minor changes, but it will be hard to say whether they stem from implementation of the EU policy or other causes.

4 Conclusions

The dominant ‘goodness of fit’ approach within studies of domestic adaptation to EU policy is overly simplistic: thus it may fail to detect all the mechanisms at work, and the range of effects involved. Nonetheless, scholars who applying this approach have provided valuable insights upon which the framework sketched out here has been based. EU policy may target one or all of the four structures which underpin a domestic policy field: regulative, normative, cognitive or material. Mechanisms within one or more of the structures may work to induce effects at different levels within the domestic organisational field targeted by a given EU policy. Such effects may occur at the intra-organisational, inter-organisational, intra-field or inter-field levels. Even though an EU policy triggers effects at only one or two levels initially, these may affect social or material processes within the field and thus produce feedback which enlarges the effect of the policy over time. If the causal chains are long, the effects of EU policy may be hard to track immediately.

Strong EU policies are more likely to induce changes within domestic organisational fields than weak ones. An EU policy is ‘strong’ if it EU policy will be strong if it contains coherent, specific and consistent rules targeting several structures within a domestic policy field and includes follow-up activities in accordance with these.. On the other hand, highly institutionalised organisational fields will be less malleable to EU policy than weakly institutionalised ones. The less compatible the regulative, normative and cognitive rules within the field are, and the more loosely the organisations within the field are connected to each other, the less institutionalised will the field be. Simply put, the conditions resulting from adoption of EU policy may be characterised through a fourfold typology:

1. strong EU policy encountering a weakly institutionalised organisational field will result in *changes in line with the EU policy*;
2. strong EU policy encountering a highly institutionalised organisational field will result in *strengthening of existing characteristics or emergence of EU-induced policy layers*;
3. weak EU policy encountering a weakly institutionalised organisational field will result in *fragmented adjustments to EU policy*; and
4. weak EU policy encountering a highly institutionalised organisational field will result in *minor changes*.

This fourfold typology of EU-induced change takes into account processes that work over time, sequencing, and the dynamic relation between the characteristics of policy and the EU policy. Discontinuous change – in the sense of fundamental, radical change – will be rare, and it may not be evident immediately after the cause is introduced (Pierson 2004; Scott et al. 2001: 24, 346). It may occur as a result of all the three first categories of change, but it is only in categories one and two that the EU policy will actually introduce change in its own right: within the others, it merely works as a catalyst or facilitator for change.

Sources

- Andersen, Svein S. (2004) *The Mosaic of Europeanization. An Organizational Perspective on National Re-contextualization*. ARENA Working Papers 04/11.
- Boasson, Elin Lerum (2005) *Klimaskapte beslutningsendringer?* Masters thesis, Department of Political Science, University of Oslo.
- Börzel, Tanja (2000) 'Improving Compliance Through Domestic Mobilisation? New Instruments and Effectiveness of Implementation in Spain', pp. 222–50 in Knill and Lenschow (2000).
- Börzel, Tanja A. and Thomas Risse (2004) 'Conceptualizing the Domestic Impact of Europe', pp. 57–80 in Featherstone and Radaelli.
- Brunsson, Nils (1993) 'Ideas and Actions: Justification and Hypocrisy as Alternatives to Control', *Accounting Organizations and Society*, 18 (6): 489–506.
- Bulmer, Simon J. and Claudio M. Radaelli (2004) *The Europeanisation of National Policy*. Queen's Papers on Europeanisation. No 1/2004.
- Cowles, Maria Green; James Caporaso and Thomas Risse (eds) (2001) *Transforming Europe*. Ithaca, NY: Cornell University Press.
- Cowles, Maria Green and Thomas Risse (2001) 'Transforming Europe: Conclusions', pp. 217–37 in Cowles, Caporaso and Risse (eds).
- DiMaggio, Paul J. and Walter W. Powell (1983) 'The Iron Cage Revised: Institutional Isomorphism, and Collective Rationality in Organizational Fields', *American Sociological Review*, 48: 147–60.
- Featherstone, Kevin and Claudio Radaelli (eds) (2003) *The Politics of Europeanisation*. Oxford: Oxford University Press.
- Haverland, Markus (2000) 'National Adaptation to European Integration: The Importance of Institutional Veto Points', *Journal of Public Policy*, 20 (1): 83–103.
- Haverland, Markus (2003) 'The Impact of the European Union on Environmental Policies' pp. 203–21 in Featherstone and Radaelli.
- Hoffmann, Andrew J. (2001) *From Heresy to Dogma: An Institutional History of Corporate Environmentalism*. Stanford, CA: Stanford Business Books (expanded ed.)
- Kallestrup, Morten (2002) 'Europeanisation as a Discourse: Domestic Policy Legitimation through the Articulation of a "Need for Adaptation"', *Public Policy and Administration*, 17 (2): 110–23.
- Kallestrup, Morten (2005) *Europæisering af nationalstaten*. Copenhagen: Jurist- og økonomforbundets forlag.
- Knill, Christoph and Andrea Lenschow (eds) (1998) 'The Impact of British and German Administrations on the Implementation of EU Environmental Policy', *Journal of European Public Policy*, 5 (4) 595–614.

- Knill, Christoph and Andrea Lenschow (eds) (2000) *Implementing EU Environmental Policy: New Directions and Old Problems*. Manchester: Manchester University Press.
- Knill, Christoph and Andrea Lenschow (2001) 'Adjusting to EU Environmental Policy: Change and Persistence of Domestic Administrations', pp. 116–36 in Cowles, Caporaso and Risse.
- Krasner, Stephen D. (1982) 'Structural Causes and Regime Consequences: Regimes as Intervening Variables', *International Organization*, 36 (2): 185–205.
- Krasner, Stephen D. (1988) 'Sovereignty: An Institutional Perspective', *Comparative Political Studies*, 21(1): 66–94.
- Laffan, Brigid (2001) 'The European Union Polity: A Union of Regulative, Normative and Cognitive Pillars', *Journal of European Public Policy*, 8 (5): 709–27.
- Levitt, Barbara and James G. March (1988) 'Organizational Learning', *Annual Review of Sociology* 14: 319–40.
- March, James G., and Johan P. Olsen (1989) *Rediscovering Institutions: The Organizational Basis of Politics*. New York: The Free Press.
- March, James G., and Johan P. Olsen (1998) 'The Institutional Dynamics of International Political Orders'. *International Organization*, 52 (4): 943–69.
- Miles, Edward L., Arild Underdal, Steinar Andresen, Elain Carlin, Jon Birger Skjærseth and Jørgen Wettestad (2002) 'Epilogue', pp. 467–74 in *Environmental Regime Effectiveness. Confronting Theory with Evidence*. London: MIT Press
- Olsen, Johan P. (1997) 'European Challenges to the Nation State', pp. 157–82 in Bernard Steunenberg and Frans van Vaught (eds) *Political Institutions and Public Policy: Perspectives on European Decision Making*. Dordrecht: Kluwer Academic.
- Olsen, Johan P. (2002) 'The Many Faces of Europeanization', *Journal of Common Market Studies*, 40 (5) 921–52.
- Pfeffer, Jeffery (1981) *Power in Organizations*. Cambridge, MA: Ballinger
- Pfeffer, Jeffery (1992) *Managing with Power: Politics and Influence in Organizations*. Boston, MA: Harvard Business School Press.
- Pierson, Paul (2004) *Politics in Time: History, Institutions and Social Analysis*. Princeton, NJ: Princeton University Press
- Radaelli, Claudio (2000) 'Whither Europeanization? Concept Stretching and Substantive Change', *European Integration online Papers (EIoP)* 4 (8).
- Radaelli, Claudio (2003) 'The Europeanization of Public Policy', pp. 27–57 in Featherstone and Radaelli.
- Schmidt, Vivien A. (2001) 'Europeanization and the Mechanics of Economic Policy Adjustments', *European Integration online Papers (EIoP)* 5 (6).

- Scott, Richard W. (1995) *Institutions and Organizations*. Thousand Oaks, CA: SAGE.
- Scott, Richard W. (2001) *Institutions and Organizations*. Second edition. Thousand Oaks, CA: SAGE.
- Scott, Richard W., Martin Ruef, Peter J. Mendel and Carol A. Caronna (2000) *Institutional Change and Healthcare Organizations*. Chicago, IL: University of Chicago Press.
- Selznik, Phillip (1957) *Leadership in Administration*. New York: Harper and Row
- Skjærseth, Jon Birger and Jørgen Wettestad (2002) 'Understanding the Effectiveness of EU Environmental Policy: How Can Regime Analysis Contribute?', *Environmental Politics*, 11 (3): 99–120.
- Sverdrup, Ulf (2004) 'Compliance and Conflict Management in the European Union: Nordic Exceptionalism', *Scandinavian Political Studies*, 27 (1)
- Sverdrup, Ulf (2005) *Implementation*. Paper presented at ARENA, 20 September 2005.
- Thelen, Kathleen (2003) 'How Institutions Evolve: Insights from Comparative-Historical Analysis', in James Mahoney and Dietrich Rueschemeyer (eds) *Comparative Historical Analysis in the Social Sciences*. Cambridge: Cambridge University Press.
- Underdal, Arild (2002) 'One Question, Two Answers', pp. 3–45 in Edward L. Miles, Arild Underdal, Steinar Andresen, Elaine Carlin, Jon Birger Skjærseth and Jørgen Wettestad *Environmental Regime Effectiveness. Confronting Theory with Evidence*. London: MIT Press
- Wettestad, Jørgen (1999) *Designing Effective Environmental Regimes: The Key Conditions*. Cheltenham: Edward Elgar.

The Fridtjof Nansen Institute is a non-profit, independent research institute focusing on international environmental, energy, and resource management. The institute has a multi-disciplinary approach, with main emphasis on political science, economics, and international law. It collaborates extensively with other research institutions in Norway and abroad.



**FRIDTJOF NANSENS INSTITUTT
FRIDTJOF NANSEN INSTITUTE**

**Fridtjof Nansens vei 17, P.O. Box 326, NO-1326 Lysaker, Norway
Phone: (47) 67 11 19 00 – Fax: (47) 67 11 19 10 – E-mail: post@fni.no
Website: www.fni.no**