

POLICY NETWORKS AND THE EUROPEAN UNION

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Objective.

This paper is written as an introduction to the panel on Policy Networks and European Integration at the 1997 Conference of the European Community Studies Association. It defines the way in which the term 'policy network' is used in the other papers in the panel, and indicates some ways in which the concept might be applied to the study of the European Union (EU), thus providing a framework within which the other papers can be situated. It also reviews some criticisms that have been made of the application of the concept to the study of the EU.

The paper draws heavily on the work of R.A.W. Rhodes, who first developed the theoretical approach, and of John Peterson, who pioneered its application to the study of the EU. It also in parts reproduces arguments and even phrases from an earlier paper written jointly by the present author with R.A.W. Rhodes and Ian Bache (Rhodes, Bache, and George, 1996). Full acknowledgement is made of the contribution of the two co-authors of that paper, although where this paper differs from it, the changes represent the thinking only of the present author.

Policy Networks.

The term 'network' has been used in several different ways in social science, but in the British study of public policy there is a distinct meaning to the concept of a 'policy network'. It refers to 'a (more or less) structured cluster of public and private actors who have interests in a specific sector of policy and effective influence over policy outcomes' (Peterson, 1996: 10). These networks can be categorised according to where they fall on a spectrum of types

of network; and they are distinguished by the pattern of resource interdependence between the organisations in the network.

Types of Networks.

Policy networks vary in the extent to which they are stable over time and in the extent to which their membership is open or closed.

At one end of the spectrum lies the ideal type of the *policy community*. This exhibits limited membership, a high level of stability over time, and is very difficult for outsiders to penetrate. It is also marked by a shared sense of 'community values' or norms amongst the members.

At the other end of the spectrum is the 'issue network'. This has wide membership, is open to any group which maintains that it has resources to contribute to the development of a policy on the issue, and is short-lived because it will either disband once the issue has been dealt with or will be transformed into a more stable policy network with a more restricted membership. There is very limited interdependence between the participants in an issue network.

Because these are ideal types, all actual existing policy networks lie somewhere in between. However, some policy networks come very close to the ideal type. The agricultural policy network in Britain prior to entry to the European Communities in 1973 has been characterised as a very close approximation to the policy community ideal type (Smith, 1990). Rhodes (1988: 78) quotes the field of leisure and recreation in Britain as a close approximation to the 'issue network' ideal type. The terms are used to refer to real policy networks, but there are no precise rules for saying how close to the ideal type the actual network has to be in order to attract the description.

A Meso-level Concept

It is often stated that the concept of a policy network is a 'meso-level' concept (Rhodes and Marsh: 1992:1; Rhodes et al, 1996: 370). This is to distinguish it from 'macro-level' and 'micro-level' analysis. Macro-level concepts attempt to characterise the policy-making process in the political system as a whole and on issues that are of high political salience. Examples of such descriptions are 'pluralist' and 'corporatist'. Micro-level analysis, on the other hand, is concerned with reconstructing the story of how individual decisions are made.

Meso-level analysis is neither concerned to make generalisations about the nature of a whole political system, nor to analyse the making of particular decisions, but to describe the pattern of policy-making in a particular sector.

There is a relationship between these levels of analysis. Micro-level case studies build up to allow us to make generalisations about the pattern of networks in specific policy sectors; a set of sector-specific generalisations build up to allow us to make some statement about the macro-level pattern of policy-making in the political system.¹

Resource Interdependence.

A crucial idea within the concept of a policy network is that of 'resource interdependence'. All actors bring resources with them to the policy network. If they have no resources, they cannot buy into the game, and so cannot play. Actors might bluff their way into an issue network by maintaining that they have resources to contribute, but if the network achieves

¹. To the extent that this is true, the argument of Kassim (1994) that the fragmented nature of EU decision-making renders policy networks analysis inappropriate is itself misconceived. The concept is operationalised through the accumulation of individual case studies of decision-making. Whether it is possible to construct a coherent meso-level generalisation about the policy sector on the basis of the case studies remains an open question until sufficient empirical research, which is necessarily micro-level, has been conducted.

any sort of longevity, and therefore stability, it will do so by shedding the peripheral groups and becoming concentrated around the actors with genuine resources to contribute.

Resources are of several different types: constitutional, financial, political, informational, and organisational.² Policy networks in different sectors vary in the distribution of resources between actors, which in turn affects the operation of the network and the substantive outcomes. The most obvious differences arise from the types of members, the type of resources at their command, and the consequent degree of interdependence between members. In an issue network there are many members and resources are widely distributed (although this does not exclude some actors possessing a dominant share of resources: it simply implies that a lot of actors have some resources to contribute). Interaction varies in both frequency and intensity, but the most common relationship is consultative. A policy community has few members, each of whom commands resources that are needed by the others. The relationships between members go beyond the consultative level which is typical of the policy network, and involve the exchange of resources of all types. The intensity and frequency of such exchanges tends to produce shared core values about policy within the policy community, which further strengthens the degree of perceived interdependence.

The contributors to this panel assume that the pattern of resource-distribution within a network is the key to understanding the operation of that network, and that shifts in the pattern of resources explain changes in the nature and operation of the network.

Policy Networks and the European Union.

There are several ways in which the concept of a policy network can be applied to the European Union:

² This is an adaptation of the list given by Rhodes (1988: 90) which reads: authority, money, legitimacy, information, organization.

- * to analyse the policy-making process at EU level;
- * to analyse the effect on the policy-process in member states of membership of the EU;
- * to analyse the dynamics of further European integration.

The Analysis of EU Policy-Making.

The most obvious application of policy networks is to analyse the policy-making process in the EU. This involves applying the concept to the EU in just the same way as it has been applied to the analysis of policy-making in individual states. A start has been made on this process.

Peters (1992) gives a general account of EU policy-making as 'bureaucratic politics', and argues that decision-making in such a system typically takes place in policy communities (Peters, 1992: 77). EU policy-making is both differentiated and specialised, and 'many policy communities or networks appear to exert great influence, if not control, over public policy, more than in most national governments in Europe' (Peters, 1992: 81). This analysis, however, is at a very broad level of generalisation and does not appear to rest on firm empirical foundations. It is more in the nature of a hypothesis for further investigation.

Mazey and Richardson (1993) are more cautious. They explore the role of interest groups in EU policy-making and suggest that although 'some interests have managed to become part of a cohesive policy community at the EC level', the majority 'are involved in less integrated types of policy networks' (Richardson & Mazey, 1993: 4). There is 'no dominant model or style of EC-group relations' and the 'procedural ambition' of the Commission to set up a 'stable and regularised relationship with the affected interests' (Mazey and Richardson, 1993: 9) remains no more than an ambition. They conclude:

at the EC level there are indeed quite significant variations in the nature of policy networks (and ... in some specific policy areas no network may exist) but there is at least a case to be made that the network concept is quite useful (Mazey and Richardson, 1993: 253).

Peterson (1992) has applied the concept to the formation of EU technology policy, where he concludes that there existed 'a tightly integrated policy community' (Peterson, 1992: 244). He employs the Rhodes model of policy networks because it captures three key features of EU decision-making: bargaining between multiple public institutions and private interests; sectoral variations in the policy process; and the resource dependencies which fundamentally shape relationships between different actors (Peterson, 1995a: 76).

At a more general level, Peterson (1995a) suggests that the concept of a policy network is most useful in analysing what he calls 'second-order' decisions, which address the question, 'How do we do it?', rather than the history-making decisions such as those taken at European Council meetings or intergovernmental conferences, or the 'policy-setting' decisions taken typically in the Council of Ministers.

As a general statement about where the concept might be at its most useful, this is a reasonable suggestion. However, it should not lead us to ignore the possible role that policy networks can play in pushing for further integration. Policy networks can contribute to the history-making decisions to bring new policy sectors into the ambit of the EC, or of the EU more generally. The collaboration between the European Commission and the European Round Table of Industrialists in promoting the single market would seem to justify the title 'policy network' (George, 1994; Green Cowles, 1995), as would the role of the 'Big 12' Round Table of leading European information technology companies in getting acceptance of the framework programmes for technological research and development.

In each of these cases, the coalition in favour of Europeanisation proved to be more effective than the coalition of interests in preserving the *status quo*. Put in terms of policy networks, the national policy networks proved less able to resist change and to maintain their control over policy than the new European policy networks were to wrest control of policy away from the national networks. This may not be surprising where an issue such as the single market is concerned. Almost by definition, the national policy networks would be fragmented and would find it difficult to formulate a coherent response to a large-scale programme such as the 1992 programme. In this case it is likely that Peterson will be proved correct: the effective resistance to change will be found at the policy-shaping stage.

However, in other sectors which were not part of the core 1992 programme extremely tightly-knit policy communities were in existence. The example used in the paper by Kab Woo Koo is telecommunications. The paper demonstrates the ubiquity of national policy communities, and their apparent dominance of policy. Despite this, the liberalisation of telecommunications policy was achieved. The paper looks at how and why the pre-existing policy communities broke down, and how more powerful policy networks were formed at the European level.

Koo's paper is concerned with one of the most interesting areas of study within a policy networks framework: the interface between different policy networks. It is concerned with the struggle for control of the policy sector between national networks, which already occupy the policy field, and emergent European networks. However, where policies already have a European dimension, there is the risk both of conflict at European level, between the policy networks clustered around different DGs of the Commission, and between EU-level networks and national networks.

One possible resolution of such conflict between networks is that they merge to form new multi-level policy networks. This observation leads directly into the consideration of how

policy networks can help us to understand the effect on national policy-making systems of membership of the EU.

The Effect on Member States.

An issue of great practical import for those of us who are citizens of the EU is the effect of membership on policy within the individual state. It has also become a subject of considerable academic attention (Andersen and Eliassen, 1993; Meny et al., 1996; Rometsch and Wessels, 1996).

Policy networks analysis offers us a means of investigating this phenomenon. One way to formulate the question as a series of testable hypotheses, particularly in the case of states like the UK, which joined the EC some years after its formation, and therefore had to take on board a large *acquis communautaire* of existing policies, is to investigate how far the pre-membership national networks have either been Europeanised, or alternatively have remained national but have seen their internal balance of resources rearranged by the existence of a European dimension. The same applies to all member states when a new policy sector comes under EC competence. Even in the case of those states which were original members, we can investigate how far national policy networks in well-established sectors such as agriculture are influenced by the existence of a 'European dimension'.

Policy Implementation.

Peterson (1995a) has argued that in policy making, policy networks are most likely to be influential at the policy formulation stage. However, the other stage of the process at which policy networks are influential is the **policy implementation** stage.

Policy implementation is a very important aspect of assessing the effect of the EU on member states. Unless the policies that are agreed at EU-level are accurately transposed into

national legislation (where this is necessary), and then enforced with a degree of consistency across national boundaries, there is no genuine EU policy in existence, just more-or-less coordinated national policies.

Implementation on the ground always involves national, and usually involves sub-national actors. In some cases it also involves supranational actors, usually the Commission. Prior to the Europeanisation of a policy sector, national implementation networks existed involving some combination of central government, regional government, local government, quasi-autonomous agencies, and private corporate actors.

In many cases the necessary involvement of these actors in the implementation of policy was one of the main resources that they brought to the network in the policy-making stages. If a policy could only be put into effect with the co-operation of other actors, it was obviously useful to consult with them when the policy was being formulated to ensure that: (a) what was being proposed was technically feasible; and (b) that the actor would not attempt to subvert the policy at implementation.

Patterns of resource interdependence varied tremendously between different European states. In particular, different constitutional arrangements gave different degrees of autonomy to sub-national governments. There were also considerable differences in the distribution of the other key resources: financial, political, informational, and organisational.

In several sectors, the arrival of an EU dimension in a policy sector involved the arrival of a new actor, the Commission, within the national implementation network. In any assessment of the extent of the impact of EU membership on a state, the extent to which the expansion of national implementation networks to accommodate the Commission shifted the balance of resources within the network is obviously a consideration.

Even where the Europeanisation of the sector does not involve the Commission in a direct role in the implementation process, the existence of an EU dimension means that the Commission in its role as guardian of the Treaty is available as a recourse for actors who feel that they are losing out in the negotiations within the network, with the European Court of Justice standing behind the Commission as final adjudicator.

The paper by Bache in this panel looks at a sector where implementation involved the insertion of the Commission as an additional actor within the domestic policy network. In examining the implementation of the structural funds in the UK, he considers how far the pre-EU policy network, which was previously dominated by UK central government, has seen a re-distribution of resources as a result of the framework of EU rules and the active presence within the domestic policy-making network of the European Commission.

McGillivray looks at the supply of domestic drinking water. This is a sector that in the UK has been subject to considerable re-arrangement of the implementation network because of changes to the status of the water suppliers.

Prior to privatisation the sector could be regarded as a professionalised network (Rhodes 1988). Privatisation brought a new range of actors into the network, changing its character. It became less professional, more adversarial. The EU dimension came in via the Drinking Water Directive. This led directly to the setting up of the Drinking Water Inspectorate within the Department of the Environment because under the Directive the British central government remained the 'competent authority' for the purpose of ensuring compliance with the terms of the Directive even after privatisation. McGillivray argues that the Directive was framed with a degree of precision that strengthened the resources of actors such as the Commission and the environmental groups. However, the new draft Directive which will replace it would appear to halt this trend. McGillivray examines the draft Directive and its likely consequences for policy networks.

A Critical Appraisal

While this paper has up to now described the approach and the ways in which it can be and has been used in the analysis of EU policy-making, it is important not to ignore criticisms of it. There have been several criticisms of the general approach (Rhodes 1986; Marsh and Rhodes 1992, 1994; Smith, 1993, Dowding, 1994, Mills and Saward, 1994), but here the focus will be on the limits of the application of the concept in analysing EU policy-making, and in particular the critiques by Kassim (1993) and by Bennington and Harvey (1994). The criticisms will be considered under five headings: explanation, level of analysis, institutions, boundaries, and policy.

Explanation.

Bennington and Harvey (1994) argue that policy networks do not offer any explanatory insights. However, this claim seems to be aimed at the typology of networks, and to ignore the power-dependence model that underpins the typology. Networks differ because they have different types of resource-dependence, a point that has been emphasised in this paper as essential to the concept. This surely offers an analytical insight.

Level of Analysis.

Bennington and Harvey (1994: 957) argue that the Rhodes model has ‘an inadequate conception of the state’ and that there is an ‘undertheorization of the inter-relationship between different levels’. Kassim (1993: 22) similarly argues that the usefulness of the approach depends on ‘the availability of a macro theory’, and ‘where such a theory is absent, the approach is of limited value’. There is no ‘authoritative or fully articulated’ macro-theory of the EU, so the policy-networks approach is of limited value.

Marsh and Rhodes (1992: 266-8) also argue that networks must be located within a broader theory of the state. Rhodes (1988: 48-77) provides that context for Britain. Peterson (1995b: 399) identifies intergovernmentalism and neofunctionalism as 'plausible macro-theories of EU politics' and sketches his own approach to linking networks and a broader analysis of the EU context. Alternatively, the bureaucratic politics model presented by Peters (1992) could provide the basis for such a theory because it identifies the conditions under which policy networks emerge in the EU. The bureaucratic infighting prevents the Commission from exercising unified leadership and results in bureaucratic differentiation. Each DG emerges as a distinct organisation with its own goals and links to national bureaucracies, which encourages the development of vertical policy networks.

Thus, there is no shortage of candidates for a macro-theory of EU politics. However, such characterisations are essentially hypotheses that need to be subjected to empirical testing. The middle-range concept of policy networks obviously does not provide a macro-theory. It does provide a tool from which to construct the building blocks of empirical research which will provide the test for those hypotheses.

Institutions.

Kassim (1993: 8 & 11) argues that the policy-networks approach can cope with neither the fluid and fragmented nature of the EU institutions, nor their institutional complexity and density. He believes that institutions are particularly important in the EU. Similarly, Bulmer (1994) emphasises the institutional distinctiveness of the EU. In reply, Peterson (1995b: 9) accepts the criticism that 'EU institutions often develop strategies which are designed to enhance their own power or interests'. However, the approach is a modern variant of the institutional approach to the study of politics (Rhodes, 1995: 26), which focuses on 'behaviour within institutional contexts' (Gamble, 1990: 417). Rhodes (1986: 20 & 409) clearly shows how departments of central government use policy networks to advance their

own interests. The relationship between central and local government is repeatedly described as 'asymmetrical'. Institutional complexity and competing institutional agendas are central to the policy networks approach, and the EU is different only in degree from complex domestic institutional environments. The point is made well by Peterson (1995b: 402):

Kassim complains that 'analogue of the government department or agency at the national level' (p.24) is difficult to locate at the EU level. The explanatory power of the policy networks model clearly does not depend on the existence of a single public agency which monopolises the policy agenda. If an institution has an interest in a policy sector, the resources to effect outcomes, and a need for *other* resources (which it does not possess) to pursue its policy objectives, it occupies a place within a policy network.

Boundaries.

Kassim (1993: 24) claims 'the possibility of delimiting networks' is 'highly problematic', a criticism echoed by Bennington and Harvey (1994: 956). This is a problem that is recognised by Marsh and Rhodes (1992), and by Rhodes et al (1983: 32 & 49). However, the problem can be overstated. Networks are sets of resource-dependent organisations. The extent of the exchange of resources between organisations will fix the boundaries. There are techniques for measuring such exchanges (Evan, 1976; Josselin, 1994). Although the fixing of the boundaries is arbitrary, the problem is not disabling (Laumann and Pappi, 1976). The composition of policy networks is not random: they reflect national policy styles.

Policies.

Kassim (1993: 20) describes the EU policy process as fluid and claims that 'differences between the policy issues may be more significant than any similarities at the sectoral or subsectoral level'. Bennington and Harvey (1995: 955) argue that the model leads to 'a

preoccupation with the institutional level of analysis and prescription, where, for example, a concern with procedural arrangements is elevated above substantive issues and outcomes.'

However, the approach can identify both similarities and differences between policy sectors. Several studies show that networks exist at the subsectoral levels in EU policy making. For example, Grant et al (1989) show that the European chemical industry's policy community can be broken down into several subsectoral networks such as pharmaceutical, fertilisers, agro-chemicals, the paint industry, and the soap, detergent and toilet preparations industry. The policy-networks approach identifies both the common bonds of the policy community and the subsectoral differences within that community. Whether these similarities and differences are more or less significant than differences between policy issues is an empirical question which will not be resolved by assertion.

It is inaccurate to say that the policy-networks approach downplays substantive issues and outcomes. Marsh and Rhodes (1992: 262-4) discuss policy outcomes and directly address the issue of which interests are dominant and benefit. There is nothing in the approach to preclude the analysis of policy outcomes. Finally, the importance of policy networks varies with the stage of the policy process, and Marsh and Rhodes (1992: 185-6) stress its relevance for analysing policy implementation.

Although the policy-networks approach can be accused of stretching a good idea too far, it is the critics who do so, not the advocates of the approach. Too many critics seem to assume that the approach aims to explain national or EU policy-making. Its scope is more restricted. The concept of a policy network is a useful tool for analysing the links between types of governmental units, between levels of government, and between governments and interest groups. It helps understanding of the policy process, but it is only one variable in that process. In other words, the critics fail to recognise that their criticisms are in fact statements

of the conditions under which the policy-network approach does not work. The papers in this panel address areas in which it does work.

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