

Paper prepared for the European Union Studies Association Eleventh Biennial
International Conference, Los Angeles, California, April 23-25, 2009

**EU Transport Infrastructure Policy, New Institutionalism and Types
of Multi-Level Governance: The Case of Vienna**

Anil Awesti

Ph.D. Candidate

Politics and International Studies

University of Warwick

Coventry CV4 7AL

United Kingdom

Tel: +44 (0)2476 523486

Email: A.K.Awesti@warwick.ac.uk

Abstract

Multi-level Governance (MLG) fundamentally challenges a state-centric, intergovernmentalist understanding of EU policy-making, emphasising the non-hierarchical, interconnected and multi-actor nature of contemporary governing. As such, MLG encapsulates the reconfiguration of EU policy-making space, rejecting a conception of governing as existing at either the domestic or international level, but rather as a single entity characterised by a complex web of interaction amongst the variety of interested actors. The EU's institutions are critical to the reordering of policy-making space in the EU in that they provide arenas of interaction. The institutions undertake the role of 'honey pot sites', attracting actors and therefore facilitating the processes of interaction that so mark MLG. By applying the analytical tools of new institutionalism to the experience of the city-region political administration of Vienna in the EU's transport infrastructure policy, this paper proposes a framework for understanding MLG as existing in three distinct types, varying in accordance to its rational choice, historical and sociological institutionalist guises. In doing so, this paper offers a continuation of Hooghe and Marks' 'types of multi-level governance' approach but in a different form. Rather than distinguishing types of MLG on the basis of jurisdictional features, this paper presents three types of MLG emerging from differing institutional processes.

EU Transport Infrastructure Policy, New Institutionalism and Types of Multi-Level Governance: The Cases of Vienna and London

Introduction

The European integration process has radically altered the system and nature of governing in Europe. Particularly since the ‘relaunch’ of the European project with the 1986 Single European Act, the governing structures of the European Union (EU) have been subject to fundamental change. The changing nature of governing in Europe has been accompanied by a paradigm shift in theorising within EU studies. Rather than theorising the EU as a process of integration, the EU came to be viewed as an existing political system in its own right requiring theoretical analysis as a functioning polity. Accompanying this ‘turn to governance’ were debates concerning the continuing capacity and effectiveness of the state in an era of globalisation, the impact of internal territorial decentralisation and administrative reform, and the overall nature of the political project pursued by the state (Peters and Pierre, 2001: 132). Out of these debates emerged Multi-level Governance (MLG) as an attempt to encapsulate the multi-actor and shared authority nature of contemporary governing.

The purpose of this paper is to critically examine MLG as a theoretical framework through which to analyse the process of governing within the EU¹. The first section provides a detailed definition of MLG, emphasising its non-hierarchical, interconnected and multi-actor nature. Section two highlights the ability of MLG to encapsulate the reconfiguration of policy-making space as the key strength of MLG in its application to the EU. This paper argues that MLG captures the institution-dependent nature of polycentric governing in the EU and as such is itself underpinned by an institutional focus. In developing this argument, section three of this paper moves on to apply the analytical tools of new institutionalism to MLG. In order to reinforce this argument, section four uses a new institutionalist understanding of MLG in order to analyse the results of empirical research undertaken on the experience of the Vienna city-region political administration within the EU’s primary transport infrastructure policy - trans-European transport networks (TEN-T).

In taking this approach, the paper attempts to take further steps in responding to the

¹ . The focus of the paper actually concerns the policy-making process in the ‘first’ European Community pillar of the EU’s three pillar structure. However, in accordance with the MLG literature, the paper refers to the organisation as the EU.

charge that MLG literature has paid insufficient attention to the role of institutions. Peters and Pierre argue that most interpretations of MLG provide a misleading image of governing in which institutions are largely irrelevant having been replaced by a focus on context, processes and bargaining (Peters and Pierre, 2004: 75-76). Moreover, Checkel states that the little institutional analysis on offer is firmly based on rational choice grounds, that is, institutions as constraints (Checkel, 2001: 23). By taking a new institutionalist approach to MLG this paper places institutions at the centre of analysing the process of the dispersal of authority. In doing so, the paper presents MLG as existing in three different types in accordance with the rational choice, historical and sociological institutionalism perspectives.

What is Multi-Level Governance?

MLG can be seen as a response to the state-centric, intergovernmentalist theory of the EU which dominated EU studies throughout the so-called ‘eurosclerosis’ period following the 1966 ‘Luxembourg Compromise’. MLG challenges the view of the state as being the singularly important and dominating actor within the EU policy-making process. Thus, to a large extent, MLG is essentially a challenge to an understanding of the changing nature and role of the state².

At the heart of the MLG framework is the claim that in an increasing number of policy areas no one actor has complete competence. Marks et. al. state that ‘the point of departure for the multi-level governance approach is the existence of overlapping competencies among multiple levels of government’ (Marks et al, 1998: 41). Decision-making competencies are therefore seen as being shared amongst a variety of actors located at different territorial levels rather than monopolised by national governments (Hooghe and Marks, 2001: 3). Of all actors, and perhaps unsurprisingly, having emerged out of particular research on the EU’s Regional Policy, MLG places a special emphasis on the mobilisation of sub-national authorities (SNAs) and their increasing significance within the EU policy-making process (see Marks, 1993; Hooghe, 1996. See also the chapter by Pasquier in this volume). Furthermore, MLG emphasises the involvement of private actors as well as public authorities (often in public-private networks) within governance mechanisms. This is not to say that states are no longer authoritative actors, rather that states no longer monopolise the

² . This is explicitly acknowledged in the article by Marks et al entitled, ‘European Integration from the 1980s: State-Centric v. Multi-Level Governance’, *Journal of Common Market Studies*, Vol.34, No.3 (1996).

European policy process. As Marks et al. continue, 'member state executives, while powerful, are only one set among a variety of actors in the European polity' (Marks et al, 1998: 41).

Within this multi-actor framework, MLG rejects the notion that political arenas are nested. Even though 'national arenas remain important arenas for the formation of national government preferences' (Hooghe and Marks, 2001: 4), SNAs are seen as being able to pursue their interests within the European and global sphere. Thus, the state is not viewed as the exclusive channel through which domestic political actors funnel their interests (Marks et al, 1998: 41). Rather, arenas are interconnected with direct and indirect networks existing between sub-national and supranational levels, bypassing the state. As such, MLG is non-hierarchical whereby the traditional hierarchical command and control role of the state has been relaxed. This has been accompanied by a shift in the nature of exchange away from instruction towards dialogue, negotiation and bargaining (Peter and Pierre, 2001: 133). Peters and Pierre view these transformations as being evidence of institutional mutual dependency (Peters and Pierre, 2004: 83) and a change in the zero-sum nature of intergovernmental relations (Peters and Pierre, 2001: 133). Rather than seeing one institution's gain as another's loss, MLG's emphasis on shared, non-hierarchical competencies allows for recognition of the positive-sum, problem-solving capacity of contemporary governance.

The complexity that MLG attempts to depict (Rosamond, 2000: 111) has a concern for the mechanisms of process (Peters and Pierre, 2004: 84). In particular, MLG stresses the importance of analysing the 'day-to-day' political processes which occur in the 'interstitial cracks of the EU', in Commission and Parliamentary committees, advisory groups, functional councils of Ministers and so on (Jordan, 2001: 200). In this way, MLG attempts to shift analytical focus away from the grand, history-making events that so preoccupy intergovernmentalist theory towards the sub-systemic level (Peterson, 1995: 69-93) of political activity. Simultaneously, uniformity as an overriding feature of governing is rejected in favour of an emphasis on the heterogeneity of actor involvement in line with the nature of the policy problem. Diversity in actor engagement ensures that 'the structure of political control is variable, not constant, across policy areas' (Marks et al, 1998: 41). The importance of different political actors varies in accordance with the features of the particular policy problem and the resources each actor possesses. Bache and Flinders view the distinction between 'high' and 'low' political issues, political processes at the implementation and post-decisional stage, and unintended consequences arising from MLG as being of particular significance in determining the nature of institutional

control (Bache and Flinders, 2004a: 199-200).

Multi-Level Governance and the European Union

MLG arrived as part of a ‘new wave’ of thinking about how to approach the study of the EU. Theories of governance attempted to replace the traditional ‘supranational versus state’ debate concerning the European integration process with an approach which accepted the EU as an existing political system whose constituent parts required examination. As Jordan notes, ‘the new Europeanists...arrived armed with the tools to investigate the various *parts* rather than the whole of the EU’ (Jordan, 2001: 196). However, making a distinction between analysing the EU either as a process of integration or as a political system does not seem to be as clear-cut as suggested. Surely a reciprocal relationship exists between both forces. In order to fully understand the integration process, analysts must appreciate the variety of mechanisms and procedures at play in the policy-making process which itself guides, promotes and hinders the process of European integration. At the same time, the integration process creates the conditions within which policy-making structures are established and patterns of decision-making formed.

The strength of MLG lies in its ability to ‘widen the conceptual lens’ (Kohler-Koch and Rittberger, 2006: 38) within political science away from an approach based at either the domestic or international level towards one which is able to encapsulate the interaction and importance of all governmental levels within contemporary forms of governance. MLG is said to stimulate ‘a reappraisal of the traditional dichotomy between ‘domestic’ and ‘international’ policy’ (Bache and Flinders, 2004c: 94). A ‘Euromestic’ framework allows for an appreciation of complex institutional interdependence within the EU, in which problem-solving at the EU level not only depends on domestically located actors for implementation but also significantly impacts upon relative institutional roles and capacities within the domestic sphere. Simultaneously, the EU policy process is itself influenced by the involvement of domestic actors and their interaction with supranational institutions.

As such, what springs from MLG is a concern for the reconfiguration of policy-making space. Rather than the traditional process of interests and preferences being agreed within nested political arenas and then uploaded to the immediately superior level, where the process is repeated, MLG throws light on a single policy-making space in an increasing number of policy areas (see Scharpf, 1997) in which direct channels of communication and influence exist between all actors within a complex

web of interaction. Thus, the assumed institutional trade-off within a ‘zero-sum’ political game is replaced by an emphasis on the necessity for shared capacities in order to ensure effective problem-solving. This is not to say that the state no longer attempts to continue its role as gatekeeper for domestic interests and has renounced taking advantage of its long held relative power position, rather that it does so in a radically transformed political environment in which it no longer has monopolistic control over the levers of power.

Within this rearranged policy-making space, MLG is particularly useful in incorporating the variety of political actors involved in the EU policy process within its theoretical framework. As opposed to the ‘two-level game’ scenario proposed by intergovernmentalism or the narrow focus on supranational institutions within neofunctionalism, and whilst research on MLG has been accused of focusing on sub-national authorities rather than other sub-national actors (Jordan, 2001: 201), MLG allows recognition of the significant role played by domestic and international interest groups, business associations, trade unions, social movements and sub-national authorities (SNAs) within the EU’s polycentric structure.

The increasingly important role played by regional government in EU decision-making is at the forefront of MLG’s articulation of European governance. Sub-national mobilisation via the establishment of regional offices, inter-regional associations, the Committee of the Regions and the use of Article 146 of the Treaty on European Union (allowing sub-national ministerial access to the Council of Ministers) have been exploited to ensure the interests of regional government are placed on the policy table. Consequently, SNAs have become engaged in policy networks acting alongside institutions at all levels within the EU’s governance structure. The state has been forced to accept regional authorities as actors in their own right with specific policy interests and goals. To a large extent, this process has been encouraged by the supranational level as a result of the Commission’s need for specialist information from the regional level and the resultant resource-interdependent relationship that has come to be established between supranational and sub-national actors.

The key feature which underlines this reconfiguration of policy-making space is the institution-dependent nature of the MLG form of policy-making in the EU. Institutions are critical to MLG in that it is they who define and coordinate interaction between different levels of government (Peters and Pierre, 2004: 79). MLG does not simply concern the involvement of different levels of government in policy-making. It emphasises the continuous, non-hierarchical and interconnected relationships between these levels of government in the process of policy-making. It is only

institutions that can provide a system for these relationships to exist (Peters and Pierre, 2004: 80). The institutions of the EU act as ‘honey pot sites’ around which the variety of interested actors cluster. In doing so, institutions provide an arena of interaction in which non-hierarchical and interconnected relationships can form. However, within this arena, the EU’s institutions do not simply act as neutral, mediating forces but as political players in their own right with their own interests and goals.

Within this framework of multi-actor interaction, institutions act as stabilising forces. Whilst the involvement of actors in the process of governing in the EU is not uniform, the EU remains a formal decision-making system in which there exists a legally enshrined institutional path through which policy-making progresses. Policy-making in the EU does not occur on an ad hoc basis but is constrained by the established institutional route. As such, institutions structure policy-making and provide stability in a complex political environment.

In essence, the institutions of the EU facilitate the development of informal inter-actor policy relationships which are the focus of MLG. The processes which so mark MLG occur within the fissures of formal institutions, with the nature of informal policy networks being determined by the access points offered by formal institutions (Pollack, 1996: 453). In this way, MLG can be seen as an attempt to manage the multitude of policy-making arrangements necessary to confront complex social, political and economic issues through the means of institutionalisation.

The outline provided above of institutions as being central to a MLG form of policy-making still leaves various questions to be answered, such as what precisely is meant by institutions and through what processes and mechanisms do institutions come to determine MLG. A response to these questions is guided by the literature on new institutionalism and it is to this that the paper now turns in order to develop the idea of MLG as institution-dependent.

New Institutionalism and Multi-level Governance

New institutionalism approaches the study of politics from the view that “institutions matter” because they shape political strategies and exert an independent or intervening influence on political outcomes (Thelen and Steinmo, 1992: 7). Institutions are seen as the key variable in any analysis of policy-making in that they structure the input of social, economic and political forces and thus influence policy results (Bulmer, 1998:

369). Hence, new institutionalism focuses attention on the mediating role of the institutional context in which political processes occur (Hay, 2002: 11). In this sense, new institutionalism brings the ‘political’ character of politics back in to the frame as opposed to an analysis solely highlighting interaction amongst rational actors (Kerremans, 1996: 218). From the outset an institution-focused approach can be seen as complementing MLG by presenting a scenario of restricted actor influence in policy-making. New institutionalism’s view of political actors as being constrained by the institutional framework within which they operate immediately correlates itself with an understanding of MLG as essentially a challenge to the notion of EU policy-making as being a process controlled by the member states³.

However, new institutionalism should not be seen as a coherent, unified theoretical perspective but rather as consisting of differing variants. Whilst agreeing that institutions are important, strands of new institutionalism contain diverse views over the processes and mechanisms through which institutions impact upon political outcomes. In line with the classification of Hall and Taylor, this section will utilise three new institutionalisms: rational choice institutionalism, historical institutionalism and sociological institutionalism (Hall and Taylor, 1996: 936-957). The remainder of the paper will analyse each variant of new institutionalism in turn, providing an overview of their main theoretical claims before applying them to MLG.

Rational Choice Institutionalism

Rational choice institutionalism (RCI) approaches the study of political outcomes with a certain set of assumptions concerning actor behaviour and preference formation. Actors are presumed to be endowed with a fixed and consistent set of preferences that are exogenous to the political system (March and Olsen, 1996: 250). In order to achieve these given preferences actors behave in an entirely instrumental and strategic manner (Hall and Taylor, 1996: 944-945). Thus, institutions are established (and survive) because they ensure the desired gains from cooperation that the rationally acting designers and participating actors value (Hall and Taylor, 1996: 945). Hence, RCI employs a functionalist logic to institutional choice in which institutional creation and design is a consequence of rationally anticipated effects (Pollack, 1996: 433).

³ . In particular, see P. Pierson, ‘The Path To European Integration: A Historical Institutional Analysis’, *Comparative Political Studies*, Vol.29, No.2 (1996) pp.123-163 which explicitly presents itself as a response to intergovernmentalist analysis of the EU.

The definition of what constitutes an institution goes beyond ‘hard’ formal organisations to also include the broad range of informal rules and procedures that define interests and structure conduct (Thelen and Steinmo, 1992: 2). Hall and Taylor define institutions as being ‘the formal and informal procedures, routines, norms and conventions embedded in the organizational structure of the polity or political economy’, be it a ‘constitutional order or the standard operating procedures of a bureaucracy [or] the conventions governing trade union behaviour or bank-firm relations’ (Hall and Taylor, 1996: 938).

Within the RCI framework the role of institutions is confined to structuring the strategic interactions amongst rational actors. According to RCI, institutions provide a strategic context in which political exchange takes place, influencing outcomes by limiting the range of policy choices available and reducing uncertainty in actor behaviour (Thelen and Steinmo, 1992: 7; Hall and Taylor, 1996: 945). Thus, institutions are viewed as arenas in which self-interested actors are constrained and encouraged to embrace new approaches in order to realise their goals. As Checkel summarises, ‘in this thin conception, institutions are a structure that actors run into, go ‘ouch’ and then recalculate how, in the presence of the structure, to achieve their interests; they are an intervening variable’ (Checkel, 2001: 20).

At first glance, the RCI approach seems to be a natural bedfellow to an intergovernmental account of institutional creation within the EU. Intergovernmentalism views the creation of institutions in terms of the functional benefits they provide to member states in overcoming collective action problems. As Moravcsik states, ‘the unique institutional structure of the EC is acceptable to national governments only insofar as it strengthens, rather than weakens, their control over domestic affairs’ (Moravcsik, 1993: 507). Institutional creation is seen as an explicit and purposeful choice by rational, self-interest maximising actors.

However, this does not necessarily contradict MLG, for Marks also takes a member state actor-centred approach to the emergence of MLG in the EU (Marks, 2001: 20-38; Hooghe and Marks, 2001: 69-80). Hooghe and Marks accept the significant role of government leaders in national states in the emergence of MLG as they remain decisive actors in determining how authority is organised in Europe (Hooghe and Marks, 2001: 77). In explaining the reasons for the development of MLG, Marks begins with the question of ‘why would *those in positions of authority within nation states* agree to shift decision-making from central institutions to sub-national or supranational institutions?’ (Marks, 2001: 23 [italics added]). Thus, there is an overlap between the two theoretical approaches in that they agree national

governments are the initial driving force behind the establishment of new policy-making forms. At one point Marks explicitly states that his ‘point of departure here is to allow for the possibility that those in government actually wish to shift competencies away from central states’ (Marks, 2001: 36, footnote 4).

At its core, liberal democracy is seen as containing a distinctive characteristic in that maintaining authoritative leadership does not necessarily demand the centralising of authority. Thus, political leaders may be willing to shift authority away from the central state in order to increase their bargaining leverage in international or domestic negotiations or to relieve themselves from the burden of responsibility for unpopular policy decisions (Hooghe and Marks, 2001: 71-74). Therefore, viewing MLG through the ‘conceptual lens’ (Allison, 1971) of RCI brings to the fore a vision of polycentric governance emerging as a result of choices explicitly made by national political leaders.

An RCI account of MLG also necessitates a focus on the notion of MLG as being a functionally beneficial form of policy-making. Marks hypothesises that one circumstance in which competencies may be shifted by member states is that the reallocation of authority is viewed as having ‘politically salient pareto beneficial consequences’ such as ‘reduc[ing] transaction costs or increas[ing] the efficiency of policy provision’ (Marks, 2001: 28). Marks and Hooghe view MLG as a normatively superior system of policy-making to a state based approach in that it ‘is the optimal way of allocating competencies in response to the trade-off between the benefits of scale and the costs of heterogeneity’ (Marks and Hooghe, 2000: 796). Kohler-Koch, in her analysis of EU governance, sees some of these forces at work in the progressive uploading of policy areas to the Community. She asserts that,

This was not just because of the persuasive capacity of the Commission...or the pro-integration rulings of the European Court of Justice. Instead, it was the member states themselves that considered joint problem-solving to be more attractive than preserving their national autonomy. As a consequence, governments may accept a further transfer of authority to the Community to increase, at least indirectly, their problem-solving capacity. Shifting policy problems from the national to the European agenda may as well have been motivated by avoiding public pressure or giving in to rent-seeking strategies of private actors (Kohler-Koch, 1996: 362-363).

Thus, MLG can be seen as emerging not only as a result of the explicit choices of

national leaders but, further, as a result of rational choices which explicitly had the creation of a joint problem-solving form of policy-making in mind. MLG is purposely established by national political leaders in response to the need to incorporate supranational and sub-national actors in the process of effectively solving complex socio-economic issues.

Much of the early work in the RCI field concerned the impact of institutional procedures within the US Congress on ruling certain policy alternatives 'in' and others 'out'. Congressional committees were seen as being able to influence policy outcomes via use of their agenda-setting power (Pollack, 1996: 430-431). This analysis is equally applicable to MLG's conception of the EU as a result of its emphasis on the importance of supranational institutions, particularly the Commission. The Commission formally enjoys the right of initiative within EC 'pillar 1' legislation and therefore is in a position to set the Community agenda by deciding which issues make it on to the policy table. Beyond this, the Commission also enjoys substantial informal agenda-setting power through its ability to identify policy problems, sell policy proposals and broker compromises among the member states (Pollack, 1996: 449). In this way, the procedures of Community policy-making can be seen to provide the Commission with a 'nondecision-making' (Bachrach and Baratz, 1963: 634) influence, whereby it is able to utilise its privileged position in order to ensure consideration of only those issues which do not undermine its interests.

Historical Institutionalism

Historical institutionalism (HI) sets out from an approach which shares certain features of RCI. In general, both agree on the broad definition of formal and informal institutions as being of significance (Thelen and Steinmo, 1992: 28-29), whilst the RCI view of institutions as being arenas in which strategies are defined and interests pursued is also a key premise of HI (Ibid: 7). However, HI diverges significantly on the matter of preference formation. As opposed to a view of institutions as essentially modifying the strategies actors adopt to secure rationally pre-formed preferences, HI views institutions as influencing the very formation of goals.

By shaping not just actors' strategies (as in rational choice), but their goals as well, and by mediating their relations of cooperation and conflict, institutions structure political situations and leave their own imprint on political outcomes (Thelen and Steinmo, 1992: 9).

This view of preference formation builds on Lindblom's earlier view of the malleability of political preferences whereby goals are moulded by participation in a policy-making process. Lindblom's 'disjointed incrementalism' viewed involvement in a policy system as an educating force in which actors learn how to formulate policy positions, learn what policy positions are feasible and learn how to tailor policy positions in order to increase their chances of success (Lindblom, 1968: 102). In this sense, preferences are endogenous to the political system, formed through processes of interaction with other actors and the formal and informal institutions themselves. The perception of rational action results from the subjective evaluation of policy alternatives and consequences within a given institutional context (March and Olsen, 1996: 250). Thus, inherent within the HI account is a focus on the reciprocal relationship between the policy-making system and actor preferences in which the system affects the very preferences to which it also responds (Lindblom, 1968: 101).

HI also questions the RCI approach over its functional understanding of institutional creation for it is incapable of explaining the existence of inefficient institutions (Pollack, 1996: 434). What emerges from this critique is an emphasis on unintended consequences and path dependence as fundamental features of institutional analysis. HI sees a 'thickening' of institutions over time. For Pierson (1996: 129-136), institutions are originally established in line with the RCI conception; as a result of the presumed gains they will contribute to actors' desired goals. However, gaps in agent control occur over time leading to unanticipated consequences as a result of short termism and the complexities of poorly understood social processes. Thus, political outcomes are 'path dependent' whereby institutions take on a dynamic of their own, constraining policy choices by locking in certain policy paths which do not necessarily coincide with actors' preferences. In this way, institutions can become difficult to reform. Rather than shifting in accordance with changing preferences, institutions are 'sticky', reflecting past choices as opposed to current social and economic conditions (Pollack, 1996: 438). HI therefore problematises the controlling power of actors over institutions and the very rationality of institutions assumed by RCI, preferring to emphasise the independent nature that institutions adopt over time resulting from early institutional choices.

The third dominant feature of HI concerns the role of power, particularly relative power, both in terms of institutional creation and distribution. Whilst RCI can be criticised for ignoring relative power relations by painting a picture of voluntary quasi-contractual agreement (Hall and Taylor, 1996: 952), HI not only views institutions as structuring power relations between actors, but more importantly, as distributing

power unevenly between those actors. The institutional organisation of policy-making is seen as providing certain actors disproportionate access to decision-making, leading to the creation of winners and losers in policy outcomes (Hall and Taylor, 1996: 941). According to Thelen and Steinmo, this mobilisation of bias is well-understood by political actors which creates the accompanying necessity to analyse the role of relative power in institutional creation (Thelen and Steinmo, 1992: 9-10).

The application of a HI analytical framework to MLG paints a picture of the emergence of MLG over time as a result of the EU's structural organisation, procedures and norms. Initial member state choices concerning institutional design and policies lead to a dispersal of authority to supranational and sub-national arenas not initially envisaged. MLG emerges through a process of path dependency in which initial policy choices structure and restrict subsequent developments. As Hooghe and Marks state, 'multi-level governance, like state building, is largely a by-product. It is the outcome of political pressures that, in most cases, do not have multi-level governance as their objective' (Hooghe and Marks, 2001: 75).

Autonomous supranational institution action is a case in point. Member states seem to be in a 'catch 22' situation when it comes to the creation of supranational agents. Principal-agent literature guides our understanding of this dilemma. In order to ensure the desired gains from cooperation are fulfilled, principals (such as the member states) create new institutions (such as the Commission) to carry out certain functions. However, the necessity for effective decision-making and enforcement requires the supranational agent to be endowed with sufficient resources and authority to undertake its tasks. Thus, the agent is provided with the ability to pursue its own preferences which may not coincide with those of the principals (Pierson, 1996: 132). As Moe argues, this is a well-observed process

A new public agency is literally a new actor on the political scene. It has its own interests, which may diverge from those of its creators, and it typically has resources – expertise, delegated authority – to strike out on its own should the opportunity arise (Moe, 1990: 121).

Marks and Hooghe allude to this process of agent activism by asserting that one reason why MLG may arise is through government leaders losing control of the activities of the supranational and sub-national organisations they have set up (Hooghe and Marks, 2001: 75-77).

The Commission's privileged position as a centre of information, its budgetary and

intellectual resources and its formal agenda-setting power are of significance here as it is through these mechanisms that the Commission is able to pursue its interests. A similar process of agent activism can be identified in the European Court of Justice (ECJ). Through its legal rulings, particularly those establishing the principles of supremacy, direct effect and mutual recognition, the ECJ has laid the legal foundations for an integrated European economy and polity (Burley and Mattli, 1993: 42). The extent of judicial activism has been such that it leads Volcansek to label the ECJ ‘the principal motor for the integration of Europe’ (Volcansek, 1992: 109).

A second result of initial choices is the materialisation of unintended consequences which encourage the emergence of MLG. Pierson (1996: 135-139) emphasises the long-run, unanticipated implications of decisions that are taken by political leaders for short-term, usually electoral, gains. Moreover, he claims that even if policy-makers do focus on long-run effects, unanticipated consequences remain likely due to the complexities of social processes. This is particularly seen as the case in the EU due to the presence of high issue density, which in turn generates problems of overload and spillover.

Hooghe and Marks (2001: 77-78) see these unanticipated consequences in practice through the mobilisation of sub-national actors as a response to the uploading of policy competence from the national to the European level. European integration encourages sub-national actors to shift their focus to the EU level in order to secure a voice in the new policy-making arena. This occurs through such developments as the establishment of sub-national offices in Brussels, direct communication with the Commission, the creation of pan-EU transregional associations and campaigning for direct representation in the Council of Ministers. Thus, the decision to deepen integration may instigate a ‘domino effect’ of unforeseen activity as a result of the transformation of the political environment in which actors operate, culminating in the emergence of MLG.

Analysing MLG with the analytical tools of HI also sheds light on the difficulties of modifying the institutional procedures and forms that constitute MLG once in existence. The EU contains clear institutional barriers to reform. Of particular importance is Scharpf’s ‘joint-decision trap’ (Scharpf, 1988: 239-278). The obstacles presented by the requirement for unanimity or qualified majority voting in order to overturn previous decisions means that MLG becomes ‘locked-in’ as a feature of EU policy-making.

The constraints posed by institutional arrangements ‘from above’ are compounded by

the sunk costs resulting from societal level adaptation to MLG. Pierson highlights a second account of ‘lock-in’,

When actors adapt to the new rules of the game by making extensive commitments based on the expectation that these rules will continue, previous decisions may lock in member states to policy options that they would not now choose to initiate. Put another way, social adaptation to EC institutions and policies drastically increases the cost of exit from existing arrangements for member states (Pierson, 1996: 144-145).

Thus, societal actors gain a vested interest in MLG and the costs associated with disrupting the situation act as a further barrier to change.⁴ Consequently, MLG becomes ‘sticky’, reflecting past choices as opposed to the current preferences of political leaders.

Sociological Institutionalism

At the heart of sociological institutionalism (SI) is a concern for the socio-cultural structures in which action occurs. SI broadens the definition of institutions further than RCI and HI to include symbol systems, cognitive scripts and moral templates that provide meaning to action (Hall and Taylor, 1996: 947). By doing so, institutions are viewed as constituting actors and their interests in the sense that they provide actors with identities, conceptions of reality, standards of assessment and behavioural rules (March and Olsen, 1996: 249). Institutions are seen as constructing a reality in which choices are made. As Hall and Taylor state, ‘institutions influence behaviour not simply by specifying what one should do but also by specifying what one can imagine oneself doing in a given context’ (Hall and Taylor, 1996: 948). In this sense SI essentially questions the given rationality of the RCI approach, claiming that what actors view as rational action is itself constructed according to the socio-cultural context in which actors exist.

What follows from this perspective is an interpretation of organisational forms and practices as being culturally embedded, reflecting culturally specific practices rather

⁴ . Marks recognises institutional lock-in and sunk costs in his actor-centred approach as constraints on the ability of government leaders to reverse the dispersal of authority, G. Marks, ‘An Actor-Centred Approach to Multi-Level Governance’, in C. Jeffery, ed., *The Regional Dimension of the European Union* (London: Frank Cass, 2001) pp.32-34.

than functional efficiency (Hall and Talyor, 1996: 946). Thus, institutional design and actor behaviour are said to follow the ‘logic of appropriateness’ whereby choices are made according to what is viewed as socially valuable or suitable rather than a rational ‘logic of consequence’ (March and Olsen, 1996: 252; Hall and Taylor, 1996: 949).

The application of SI to MLG indicates a process in which participating in EU policy-making provides actors with conceptions of their own identities and of how to act. MLG can be seen to emerge as a result of actor behaviour that is ‘learnt’ from being identified as a particular actor in the EU. Bulmer is correct in asserting that the institutions of the EU are not value free, but contain embedded values and norms which impact on how their functions are operationalised (Bulmer, 1998: 368). However, it is the identification of an institution as being, for example, supranational (via the provision of particular competencies) that provides it with a certain ethos and behaviour. Thus, the behaviour of the Commission and ECJ is influenced by their self-perceived roles as supranational institutions which encourages them to support further integration and an expansionary interpretation of the treaties (Bulmer, 1994: 363). This enthusiasm comes precisely from a norm of integration which is embedded within the cultures of these institutions. It is plausible that a similar process relates to sub-national actors whereby their self-perception as distinct actors with their own interests encourages demands for greater devolution of policy competencies and involvement in EU decision-making.

Therefore, actors can be seen to behave in a manner they perceive as being socially appropriate in accordance with their roles, leading to the dispersal of authority away from the central state. In this way, MLG does not only emerge, but also becomes self-reinforcing whereby actors learn to function according to the behavioural rules of MLG. If it is assumed that social learning is more likely where actors meet repeatedly and there is a high density of interaction (Checkel, 2001: 26), MLG itself becomes embedded as a form of policy-making.

What emerges from this exercise of applying the analytical tools of new institutionalism to MLG is a conception of MLG as existing in different types as opposed to the singular version traditionally conceived. The three conceptual lenses of new institutionalism offering differing accounts of the emergence and existence of MLG. In order to reinforce this argument, the paper uses this new institutionalist understanding of MLG in order to analyse the results of empirical research undertaken on the experience of the city-region political administration of Vienna within the EU’s trans-European transport networks (TEN-T) policy area

Types of Multi-Level Governance and TEN-T Policy: Vienna

The rationale for studying TEN-T policy is the well-documented relationship between transport infrastructure and regional economic development (see Hart, 1993; Vickerman, 1994; Fayman & Metge, 1995; Johnson & Turner, 1997; Vickerman et al, 1999; Peters, 2003; Stevens, 2004). It is precisely this relationship which underpins the enduring link between the EU's regional and transport infrastructure policy areas. Infrastructure, and particularly transport infrastructure, has always had a prominent place within the EU's regional policy, accounting for 75% of ERDF expenditure from 1975-89 and an estimated 29% of Structural Funds expenditure in Objective 1 regions 1989-93 (Vickerman, 1995: 238). Thus, there exists a clear regional interest in transport infrastructure leading to the potential mobilisation of sub-national political and economic resources within TEN-T policy. However, at the same time, the process of TEN-T policy-making remains a highly under-researched area.

The RCI view of MLG emerging as a result of explicit choices by national political leaders to shift authority away from the central state in order to ensure desired gains can account for the eagerness of the Austrian federal government to involve the Vienna city administration in TEN-T policy, despite policy competence constitutionally existing exclusively at the federal level. The most prominent of these desired gains is the necessity for effective policy outcomes. The fact that Vienna is involved in five out of the six TEN-T Priority Projects that affect Austria means that the specialised local knowledge and expertise of the Vienna city administration is required by the federal government. As one official at the Federal Ministry for Transport, Innovation and Technology said, 'although formally the federal government is competent, the laender have a high influence. The government depends on the laender because it wants to succeed in the policy.' Another official at the ministry stated, 'you would not be advised to decide something without involving the land concerned because if you do then you will have a lot of problems.' Furthermore, it is not only the benefits of an enhanced problem-solving capacity which the federal government seeks from transferring authority. There are also the potential electoral advantages emanating from the efficient construction of politically popular transport networks. As the first official continued, 'the government also depends on the laender to perhaps get more votes at the next election. So it needs the laender from a political point of view.'

HI's interpretation of MLG as emerging as a result of a process of path dependence can also be seen in the case of Vienna. Cooperative federalism is firmly 'locked-in' as

a feature of Austrian politics in which levels of government interact and are closely linked (Ferrara, 2005: 109). Thus, it represented a pre-existing pattern of inter-governmental relations within the Austrian state which were naturally applied to laender involvement in TEN-T policy-making. As an official at the Transport Ministry confirmed, 'there must be some communication (between the federal government and the laender) because whenever the interests of the laender are affected there must be a consultation. Even any small project must be agreed with the corresponding land.' As such, a clear channel of involvement with, and influence over, the federal government existed for the Vienna city administration with respect to the TEN-T projects that involved Vienna. The channels of communication utilised were not only the formal joint national-regional body established to coordinate federal-laender European interests, the Council for EU Integration Policy (Rat für Fragen der Europäischen Integrationspolitik). In fact, the Council is seen as being of limited use due to the difficulties in coordinating the differing interests of the different laender. Rather, direct contact with the Transport Ministry was, and continues to be, preferred. Personal links between the Vienna city administration and the federal government further serve to encourage direct channels of communication, such as the fact that the Minister for Transport was previously a city councillor in Vienna. Something which Vienna attempts to use to its advantage. As an official within Vienna's Municipal Department 18 (Urban Development and Planning) put it, 'we can remind him of those links.'

SI's understanding of MLG emerging as a result of a 'learnt' process whereby actors behave in accordance with their socially perceived roles accounts for the active mobilisation of Vienna city administration's political and economic resources within the TEN-T policy area. The Vienna city administration perceives itself as being a distinct political actor with its own European interests. The removal of the Iron Curtain and recent EU enlargement in central and eastern Europe has led to Vienna identifying itself as a city at the heart of the 'new Europe'. The city administration was at the forefront of this process. Mayor Michael Haupl instigated a process of administrative and cultural reform on Austria's accession to the EU in 1995 in order to take advantage of the opportunities presented by the new geopolitical environment Vienna found itself in. A process which has 'permanently changed the self-image within the bureaucracy' (Theimer, 2004: 6). Key amongst these was encouraging the various municipal departments to identify with European activity within their policy portfolios under the slogan 'Think European. Act Locally.'

In terms of transport infrastructure policy, the Vienna city administration identified itself as being a 'gateway to the east' for western Europe and a 'transport bridge'

between east and west. As such, Vienna's primary TEN-T interest has been to position itself as an interface in the European transport network and as a key TEN-T node (Schwetz, 2004: 96). As the same official within Vienna's Municipal Department 18 stated, 'we prefer our role as a land (rather than a city) because nobody would expect a city to discuss such questions because everybody says that cities should organise their public transport within the city.' Thus, there is a clear attempt to identify itself as a political entity beyond simply being a city and link Vienna to wider Europe rather than focus on strictly internal public transport issues. It was this self-perception which led to the Vienna city administration mobilising its resources to strive for its goals within TEN-T policy. At the European level, this has been undertaken via direct contact with the European Commission and Parliament, strong involvement in the Committee of the Regions, lobbying via Vienna's Representative Office in Brussels, and engagement with pan-EU transregional associations such as Eurocities.

Conclusion

This paper has presented MLG as fundamentally a challenge to a state based understanding of policy-making in the EU. MLG captures the multi-located nature of contemporary governing in the EU. MLG rejects the conception of conceiving governing processes as existing at either the domestic or international level, emphasising an overlapping, interconnected, non-hierarchical and multi-actor framework of interdependence. As such, the strength of MLG lies in its ability to encapsulate the reconfiguration of policy-making space away from interaction between nested political arenas towards a singular entity characterised by a complex web of interaction amongst the variety of actors involved in EU governance. Underpinning the reordering of policy-making space is the key role played by the EU's institutions in the process of EU policy-making. Institutions are central to MLG in that they provide arenas in which interested actors gather, therefore facilitating the processes that so mark MLG.

In order to develop the idea of MLG being institution dependent, the paper examined MLG using the analytical tools provided by new institutionalism. What materialises from this exercise is a conception of MLG as emerging and existing in different types as opposed to the singular version of MLG traditionally conceived. In a sense, this is a continuation of Hooghe and Marks' 'types of multi-level governance' (Hooghe and Marks, 2003: 233-243) approach but in a different form. Rather than distinguishing types of MLG on the basis of jurisdictional features, this paper presents three types of

MLG emerging from differing institutional processes. The three conceptual lenses of new institutionalism offer differing accounts of MLG.

Rational choice institutionalism paints a picture of MLG emerging as a result of the explicit choices of national political leaders as the shifting of authority ensures desired gains, be it the acquisition of bargaining advantages, the divesting of responsibility or as a means of ensuring effective problem-solving. On the other hand, historical institutionalism views MLG as resulting from a path dependent process of initial choices leading to autonomous supranational institution action and unanticipated consequences which disperses authority away from the central state. MLG then becomes 'locked-in' due to the procedural difficulties in the EU of reforming past decisions and a process of societal adaptation. A sociological institutionalist approach meanwhile emphasises MLG as a 'learnt' process whereby actors behave in accordance with their socially perceived roles. An analysis of the experience of the Vienna city administration in the TEN-T policy area shows all three of these institutional processes at work in the dispersal of authority away from the Austrian state.

Bibliography

- Allison, G. *Essence of Decision: explaining the Cuban missile crisis*. Boston: Little, Brown and Co, 1971.
- Aspinwall, M. and Schneider, G. 'Institutional research on the European Union: mapping the field.' In G. Schneider and M. Aspinwall, eds. *The rules of integration*. Manchester: Manchester University Press, 2001, pp.1-18.
- Bache, I. and Flinders, M. 'Conclusions and Implications.' In I. Bache and M. Flinders, eds. *Multi-level Governance*. Oxford: Oxford University Press, 2004a, pp.195-206.
- Bache, I. and Flinders, M. 'Themes and Issues in Multi-level Governance.' In I. Bache and M. Flinders, eds. *Multi-level Governance*. Oxford: Oxford University Press, 2004b, pp.1-11.
- Bache, I. and Flinders, M. 'Multi-level Governance and British Politics.' In I. Bache and M. Flinders, eds. *Multi-level Governance*. Oxford: Oxford University Press, 2004c, pp.93-106.
- Bachrach, P. and Baratz, M.S. 'Decisions and Nondecisions: An Analytical Framework.' *American Political Science Review*, 57 (1963) pp.632-642.
- Burley, A-M. and Mattli, W. 'Europe Before the Court: a political theory of legal integration.' *International Organization*, Vol.47, No.1 (1993) pp.41-76.
- Bulmer, S. 'The Governance of the European Union: A New Institutional Approach.' *Journal of Public Policy*, Vol.13, No.4 (1994) pp.351-380.
- Bulmer, S. 'New Institutionalism and the governance of the Single European Market.' *Journal of European Public Policy*, Vol.5, No.3 (1998) pp.365-386.
- Checkel, J. 'Constructing European institutions.' In G. Schneider and M. Aspinwall, eds. *The rules of integration*. Manchester: Manchester University Press, 2001, pp.19-40.
- Fayman, S. & Metge, P. 'The Regional Impact of the Channel Tunnel.' *European Planning Studies* 3 (3) (1995) pp.333-350.
- Ferrara, A. 'Austria.' In Committee of the Regions, eds. *Procedures for local and regional authority participation in European Policy Making in the member states* pp.101-110. Luxembourg: Office for Official Publications of the European Communities, 2005.
- Gamble, A. 'Foreword.' In I. Bache & M. Flinders, eds. *Multi-level Governance*. Oxford: Oxford University Press, 2004, pp.v-vii.
- George, S. 'Multi-level Governance and the European Union.' In I. Bache & M. Flinders, eds. *Multi-level Governance*. Oxford: Oxford University Press, 2004, pp.107-126.

- Hall, P. and Taylor, R. 'Political Science and the Three New Institutionalisms.' *Political Studies*, XLIV (1996) pp.936-957.
- Hart, T. 'Transport Investment and Disadvantaged Regions: UK and European Policies since the 1950s.' *Urban Studies* 30 (2) (1993) pp.417-436.
- Hay, C. *Political Analysis*. Basingstoke: Palgrave, 2002.
- Hooghe, L. *Cohesion Policy and European Integration: Building Multi-level Governance*. Oxford: Oxford University Press, 1996.
- Hooghe, L. and Marks, G. *Multi-level Governance and European Integration*. Lanham: Rowman & Littlefield Publishers Inc, 2001.
- Hooghe, L. and Marks, G. 'Unravelling the Central State, but How? Types of Multi-level Governance.' *American Political Science Review*, Vol.97, No.2 (2003) pp.233-243.
- Johnson, D. & Turner, C. *Trans-European Networks* Basingstoke: Macmillan Press Ltd, 1997.
- Jordan, A. 'The European Union: an evolving system of multi-level governance ... or government?' *Policy & Politics*, Vol.29, No.2 (2001) pp.193-208.
- Kerremans, B. 'Do Institutions Make a Difference?' *Governance*, Vol.9, No.2 (1996) pp.217-240.
- Kohler-Koch, B. 'Catching up with change: the transformation of governance in the European Union.' *Journal of European Public Policy*, Vol.3, No.3 (1996) pp. 359-380.
- Kohler-Koch, B. and Rittberger, B. 'Review Article: The 'Governance Turn' in EU Studies.' *Journal of Common Market Studies*, Vol.44 Annual Review (2006) pp.27-49.
- Lindblom, C. E. *The Policy-Making Process*. New Jersey: Prentice Hall, 1968.
- March, J. and Olsen, J. 'Institutional Perspectives on Political Institutions.' *Governance*, Vol.9, No.3 (1996) pp.247-264.
- Marks, G. 'Structural policy and multi-level governance in the EC.' In A. Cafruny and G. Rosenthal, eds. *The state of the European Community*. London: Longman, 1993
- Marks, G. 'An Actor-Centred Approach to Multi-Level Governance.' In C. Jeffery, ed. *The Regional Dimension of the European Union: Towards a Third Level in Europe?* London: Frank Cass, 2001, pp.20-38.
- Marks, G. and Hooghe, L. 'Optimality and Authority: A Critique of Neoclassical Theory.' *Journal of Common Market Studies*, Vol.38 (2000) pp.795-816.
- Marks, G. and Hooghe, L. 'Contrasting Visions of Multi-level Governance.' In I. Bache & M. Flinders, eds. *Multi-level Governance*. Oxford: Oxford University Press, 2004, pp.15-30.
- Marks, G., Hooghe, L. and Blank, K. 'European Integration from the 1980s: State-

- Centric v. Multi-level Governance.’ *Journal of Common Market Studies*, Vol.34, No.3 (1996) pp.341-378.
- Marks, G., et. al. ‘Competencies, Cracks and Conflicts: Regional Mobilization in the European Union.’ In G. Marks et. al., eds. *Governance in the European Union*. London: Sage Publications Ltd, 1998, pp.40-63.
- Moe, T. ‘The politics of structural choice: toward a theory of public bureaucracy.’ In O. Williamson, ed. *Organization Theory: from Chester Barnard to the present and beyond*. Oxford: Oxford University Press, 1990, pp.116-153.
- Moravcsik, A. ‘Preferences and power in the European Community: A liberal intergovernmentalist approach.’ *Journal of Common Market Studies*, Vol.31 (1993) pp.473-524.
- Peters, D. ‘Cohesion, Polycentricity, Missing Links and Bottlenecks: Conflicting Spatial Storylines for Pan-European Transport Investments.’ *European Planning Studies* 11 (3) (2003) pp.317-339.
- Peters, G. and Pierre, J. ‘Developments in intergovernmental relations: towards multi-level governance.’ *Policy & Politics*, Vol.29, No.2 (2001) pp.131-135.
- Peters, G. and Pierre, J. ‘Multi-level Governance and Democracy: A Faustian Bargain?’ In I. Bache & M. Flinders, eds. *Multi-level Governance*. Oxford: Oxford University Press, 2004, pp.74-89.
- Peterson, J. ‘Decision-making in the European Union: towards a framework for analysis.’ *Journal of European Public Policy* 2, 1 (1995) pp.69-93.
- Pierson, P. ‘The Path To European Integration: A Historical Institutional Analysis.’ *Comparative Political Studies*, Vol.29, No.2 (1996) pp.123-163.
- Pollack, M. ‘The New Institutionalism and EC Governance: The Promise and Limits of Institutional Analysis.’ *Governance*, Vol.9, No.4 (1996) pp.429-458.
- Rosamond, B. *Theories of European Integration*. Basingstoke: Palgrave, 2000.
- Sbragia, A. ‘The European Union as Coxswain: Governance by Steering.’ In J. Pierre, ed. *Debating Governance*. Oxford: Oxford University Press, 2000, pp.219-240.
- Scharpf, F. W. ‘The Joint-Decision Trap: Lessons from German Federalism and European Integration.’ *Public Administration*, Vol.66 (1988) pp.239-278.
- Scharpf, F. W. ‘Introduction: the problem-solving capacity of multi-level governance.’ *Journal of European Public Policy*, Vol.4, No.4 (1997) pp.520-538.
- Schwetz, O. ‘International Traffic Node Vienna - Prerequisite for Locational Quality.’ In T. Weninger, eds. *Perspectives: Vienna City Europe - 10 years in the European Union*. Vienna: Schmid Verlagsges mbH, 2004, pp.96-97.
- Steunenberg, B. ‘Comment: ‘Constructing European institutions.’’ In G. Schneider and M. Aspinwall, eds. *The rules of integration*. Manchester: Manchester

- University Press, 2001, pp.41-45.
- Stevens, H. *Transport Policy in the European Union* Basingstoke: Palgrave Macmillan, 2004.
- Theimer, E. 'Foreward: City Management as a Challenge.' In T. Weninger, eds. *Perspectives: Vienna City Europe - 10 years in the European Union*. Vienna: Schmid Verlagsges mbH, 2004, pp.6-7.
- Thelen, K. and Steinmo, S. 'Historical institutionalism in comparative politics.' In S. Steinmo, K. Thelen and F. Longstreth, eds. *Structuring Politics*. Cambridge: Cambridge University Press, 1992, pp.1-32.
- Vickerman, R. 'Transport Infrastructure and Region Building in the European Community.' *Journal of Common Market Studies* 32 (1) (1994) pp.1-24.
- Vickerman, R. 'The regional impact of Trans-European networks.' *Annals of Regional Science* 29 (1995) pp.237-254.
- Vickerman, R. et. al. 'Accessibility and Economic Development in Europe.' *Regional Studies* 33 (1) (1999) pp.1-15.
- Volcansek, M.L. 'The European Court of Justice: supranational policy-making.' *West European Politics*, Vol.15 (1992) pp.109-121.
- Warleigh, A. 'Conceptual combinations: multilevel governance and policy networks.' In M. Cini and A. Bourne, eds. *Advances in European Studies*. Basingstoke: Palgrave, 2006, pp.77-95.