



Universiteit  
Leiden  
The Netherlands

## **Transnational networks and domestic agencies : making sense of globalizing administrative patterns**

Heijden, M.J.A. van der

### **Citation**

Heijden, M. J. A. van der. (2020, September 30). *Transnational networks and domestic agencies : making sense of globalizing administrative patterns*. Retrieved from <https://hdl.handle.net/1887/137095>

Version: Publisher's Version

License: [Licence agreement concerning inclusion of doctoral thesis in the Institutional Repository of the University of Leiden](#)

Downloaded from: <https://hdl.handle.net/1887/137095>

**Note:** To cite this publication please use the final published version (if applicable).

Cover Page



Universiteit Leiden



The handle <http://hdl.handle.net/1887/137095> holds various files of this Leiden University dissertation.

**Author:** Heijden, M.A.J. van der

**Title:** Transnational networks and domestic agencies : making sense of globalizing administrative patterns

**Issue Date:** 2020-09-30

# Chapter 6

---

**Conclusion**

---



## 6.1 INTRODUCTION

This dissertation has studied how domestic agencies and the officials representing them are influenced by and deal with the increasingly complex transnational environments in which they have come to operate. To do so, the following research question was formulated: “*How are domestic agencies influenced by transnational networks and how do these agencies internally structure and coordinate transnational network activities?*”. To answer this question, a first step was to study these networks through the lens of network analysis, assessing (1) how network relationships affect the rate by which regulatory agencies adopt transnational (enforcement) standards (chapter two) and (2) how regulatory agencies select partners in forming transnational agreements (chapter three). As a second step, qualitative data was used to study how domestic officials and agencies cope with the decision-making uncertainties underlying collaborative choices (chapter four) and the way in which domestic agencies internally structure and coordinate the transnational network behaviour of their officials (chapter five). Below, the main conclusions of these four studies are drawn up and discussion is provided on how they complement each other. In addition, the main theoretical, methodological, and practical implications of this thesis are drawn out. After that, some limitations of the presented analyses are noted and future lines of research are suggested.

## 6.2 MAIN FINDINGS AND CONTRIBUTIONS

### Network Dynamics and Transnational Regulation

The first empirical chapter of this thesis assessed the applicability of a network-analytical perspective to study how transnational regulatory standards and principles spread across jurisdictions. In particular, this chapter found that the adoption behaviour of domestic agencies follows that of direct network partners, pointing to mechanisms such as learning and emulation to play an important role in the diffusion of soft law standards. Given the increasing importance of these soft law standards in transnational regulation (Farrell & Newman 2016; Efrat & Newman 2018), understanding the dynamics by which they spread across jurisdictions is crucially important. Particularly in the absence of formal enforcement authority at the transnational level (Sabel & Zeitlin 2010), alternative modes of coordination need to be sought to solve transnational collective action problems and *transgovernmental* networks have been ascribed an important role in this regard (see Jordana 2017). However, as the analysis of this chapter demonstrates, network structures are likely an important moderator to the way in which such a role is fulfilled. In

other words, the spread of information or peer influences are channeled through specific networked patterns of interaction and, depending on their place within an overall network structure, domestic agencies are exposed to such (network) influences differently. In understanding how regulatory and enforcement standards spread across jurisdiction, the embeddedness of agencies in transnational patterns of communication with other agencies (reference groups/cliقة-like structures) is thus crucial to consider.

The third chapter applied a similar network-analytical approach to explaining patterns in the partner selection choices of regulatory agencies in forming transnational (information exchange) agreements. It provided clear evidence for the presence of network effects in the formation of such bilateral agreements over time. Most prominently, the formation of such agreements is driven by *triadic closure*: the number of shared partners that two agencies have influences the likelihood that they will also form a bilateral agreement amongst themselves. This finding is consistent with the theoretical line of reasoning that agencies use their existing network relationships as information signals to guide future partner selection choices (see Gulati & Gargiulo 1999), although status-driven or reputational concerns played less of a role. As a general conclusion, however, this chapter demonstrates that decision-making about transnational agreements does not occur in isolation, but network dynamics are important for how globalizing administrative patterns form and develop (see Stone & Ladi 2015). Rather than merely looking at domestic (Bach & Newman 2014) or (general) sectoral (Van Boetzelaer & Princen 2012) factors to explain transnational collaboration, structural network patterns and relational interdependence should be taken into account as well.

Overall, mapping out the information-exchange agreements between regulatory agencies enabled this thesis to pin down what globalizing administrative patterns actually look like, rather than merely describing networks in the metaphorical sense (see Isett et al. 2011). Furthermore, rather than doing so cross-sectionally, the collection of longitudinal data helped to analyze how these patterns develop over time. Such an approach thus allows one to formulate and test more precise theoretical expectations regarding the effects of transnational networks on agency behaviour and decision-making. This is important because even though scholars frequently point to network effects in studying processes of regulatory harmonization (Raustiala, 2002; Bach & Newman, 2010) or other organizational outcomes, these theoretical intuitions are rarely explicated by rigorous empirical analysis. This dissertation then provides a better basis for theorizing about the kind of network effects to expect when analyzing how transnational relationships between regulatory

agencies from various jurisdictions form and develop. Moreover, by linking these network-structural patterns to established theoretical mechanisms of diffusion (see Gilardi 2012), we also gain a better understanding of *how* such network effects occur.

## Transnational Networks and Administrative Behaviour

The fourth and fifth chapters of this thesis shifted the focus from the network-level to lower levels of analysis, by looking at the intra-organizational dimension of domestic actors operating in transnational networks. This focus was concerned with how domestic officials cope with the increasingly complex and uncertain environments in which they have come to operate, and how their collective transnational network activities are *internally* structured and coordinated.

Chapter four zoomed in on informal patterns of interaction surrounding transnational networks, and centered on the decision-making uncertainty underlying the selection of transnational network partners for close communication and information exchange. To assess how agencies and the officials representing them can cope with such uncertainties, contingency factors at different levels of analysis were explored. In particular, the analysis of this chapter demonstrated how institutionalized settings help domestic officials to simplify decision-making and minimize uncertainty regarding collaborative choices (see also Leifeld & Schneider 2012), but the degree to which they do so depends crucially on a number of specific characteristics, such as network size, frequency of meeting, and decision rules. Moreover, by demonstrating that organizational characteristics, such as the existence explicit boundary-spanning units, and individual characteristics, such as international experience of domestic officials, can fulfill a similar role, this chapter developed a theoretical model incorporating cross-level factors important to consider for the uncertainties involved in collaborating transnationally. Such a theoretical model, helps to think more clearly about the decision-making problems that confront an increasingly large number of public and regulatory officials that have come to operate outside the boundaries of domestic bureaucratic structures (see Stone & Ladi 2015; Knill & Bauer 2018), while also providing ideas on how such problems may be solved.

The fifth chapter of this thesis builds on these insights, but notes the challenging realization that it is typically *multiple* officials that *simultaneously* represent the agency in networked environments. Through the concepts of boundary-spanning and organizational structure, this chapter then explicitly analysed how the collective activities of these individuals are internally structured and coordinated as to fulfil organizational-level goals and strategies. In particular, this chapter argued that structural design choices help domestic agencies to better adjust to the demands of

the complex and heterogeneous transnational environments in which they increasingly operate, but also noted that these structural design choices call up several trade-offs regarding the core functions of boundary-spanning, i.e. information-processing and external representation. In particular, the role of specialized network-coordinators within the organization was highlighted. By acting as a linking pin between technical experts and those with formal authority to make decisions, they help agencies to reconcile the “cognitively unavoidable” need for specialization and decentralization when working within complex environments (i.e. differentiation), with the integrative need to keep public agencies and their operations accountable. However, in terms of information-processing and external representation, several risks of relying on such formal coordinators were also noted, particularly given the vast communication and information streams that converge at their positions.

Overall, providing an intra-organizational dimension to domestic agencies participating in transnational networks allowed for a shift of attention to the internal problems of management and coordination that complex and changing transnational environments potentially create for domestic agencies. This dimension is often overlooked by scholars studying the effects transnational governance on domestic (regulatory) agencies, as their primary focus is often on the principal-agent relationships between domestic agencies and political actors (see Bach et al. 2016) or the administrative structures of central government in general (see Laegreid et al. 2004). Moreover, although much of the literature on networks in public management has sought to articulate effective management and leadership within networks (Ansell & Gash 2008; McGuire & Silvia, 2010), it has had little to say about the internal coordination problems these forms of collaboration call up for participating organizations. By shifting the level of analysis to the sub-unit level of organizations, this thesis has provided more of an idea of what agencies experience as they prepare to work with and within networks, and what consequences external requirements of changing environments have for the organization’s internal functioning and operations (see McGuire & Agranoff 2010). Moreover, these empirical chapters also provide pointers on how domestic agencies (can) cope with the increasingly complex environments in which they have come to operate.

### 6.3 DISCUSSION

On the whole, this thesis combined different analytical foci to study transnational networks and their effects on domestic agencies and officials. While the first part of the dissertation provided a network-analytical perspective to globalizing administra-

tive patterns and how they potentially affect domestic agencies, the second part of this thesis zoomed in on how domestic agencies internally coordinate transnational network behaviour, as to cope with the uncertainties of the increasingly complex environment in which they have come to operate.

Important to consider in this regard is that the network-analytical chapters argued that due to a lack of information about the (1) implications of adopting transnational standards and (2) the capabilities or trustworthiness of potential partners, network relationships likely have an important effect on agency behaviour and decision-making. The qualitative part of this thesis, however, demonstrated that acquiring and processing such information is likely a function of organizational- and individual-level characteristics as well. When relating this back to main research question of this thesis, what follows is that the effects of transnational networks on domestic agencies are likely moderated by the way in which transnational network activities are structured and coordinated *inside* these agencies. In that sense, the findings of the qualitative part of this thesis complement the findings of the network-analytical part. Several aspects of this complementarity are noted in particular.

A first consideration is that based on chapters 4 and 5, one can reason that domestic agencies have different capacities and resources for (transnational) networking. This also means that they are differentially susceptible to the influences flowing from network relationships. After all, not all agencies will be equally reliant on the information signals provided by network partners on the implications of standard adoption (Chapter 2) or the trustworthiness of potential collaborators (Chapter 3). Information-processing is likely a function of the way in which boundary-spanning activities are organized, as well as the experience and expertise of organizational members. This also means that domestic agencies have different capacities for strategic behaviour within transnational networks and will experience different levels of uncertainty when engaging in transnational networked environments. Based on the organizational- and individual-level characteristics identified in Chapter 4, moderating hypotheses can thus be expected regarding the effects of transnational networks on domestic agencies. The assumption that actors make strategic decisions within a system of opportunities and constraints provided by their networked environments (see Mizruchi 1994), should be qualified by the consideration that domestic agencies likely differ in the extent to which they can interpret these opportunities or constraints and use it as a guide to their behaviour.

Secondly, Chapter 4 noted how domestic officials establish and maintain a wide variety of (informal) network relationships on behalf of the agency. This empirical

reality contrasts with the modeled account of the network-analytical chapters in this thesis, in which a network structure was derived by focusing on a single-type tie at the agency-level (see Shipilov 2012). Moreover, while Chapter 3 demonstrated how for the more formalized, structural relationships at the agency-level triadic closure proved an important driver of their formation, Chapter 4 - studying more informal patterns of interaction - departed more from the *direct* information signals provided by others within the institutionalized settings of transnational collaboration. In assessing the effects of network structure on agency behaviour and decision-making, the kind of ties under consideration and the context under which they are formed then seem particularly important to consider.

To clarify, the formalized agreements studied in Chapter 3 are likely more visible to others within the network, meaning that they can more credibly provide information signals about potential partners. In other words, in deciding on inter-agency agreement formation, domestic agencies can more accurately judge who their indirect partners are and can more plausibly make an assessment of their trustworthiness given the existing structure of relationships. This makes triadic closure such an important mechanism for explaining the formation of such agreements, as it provides information on actors who are otherwise hard to reach or engage with directly. Within institutionalized settings, however, such information signals based on indirect ties are much less needed, given that, through co-participation within a particular group, actors and their preferences often present themselves more directly (see Chapter 4). The dense interaction patterns between a relatively small group of actors that such institutionalized settings typically facilitate, decrease the utility of specific network positions such as centrality or brokerage. This also means that in studying such institutionalized settings, network-structural factors are likely to play a less important role in explaining collaboration patterns, i.e. actors are much better able to judge the preferences and trustworthiness of actors based on direct interaction in face-to-face meetings.

Thirdly, when looking at a particular network, we should consider that the interests of actors within a network are not solely defined in terms of the membership of that network. Chapter 4 demonstrated how agencies prioritize particular networks, distributing their limited time and resources across a wide variety of transnational policy venues. Moreover, Chapter 5 noted how transnational networking typically occurs within the shadow of domestic bureaucracy (see also McGuire & Agranoff 2010), making vertical accountability toward domestic supervisors or political principals a relevant consideration for the study of transnational network behaviour as well. This also means that in looking at the effects of transnational networks

on domestic agencies, it should be considered how important the operations of a particular network are to that agency, which is likely based on the policy preferences formulated in a national context. The higher the stakes and implications of adopting a particular standard for domestic stakeholders, for instance, the less likely agencies are to simply rely on information signals provided by their network partners. In these circumstances, we can more explicitly expect domestic actors to resist processes of diffusion (see Chapter 2) or try to force their preferences onto others within the network (see Bach & Newman 2010). Network prioritization thus arguably moderates the effects that transnational networks are likely to have on agency decision-making, as well as the way in which agencies behave in these networks.

Overall, these considerations put pressure on the simplifying assumptions underlying network models, particularly in terms of viewing agencies as unitary actors pursuing (mostly) rational strategies that maintain a single-type tie within a clearly defined network. There is a tension here between the simplification needed for network modeling and the complex reality of administrative behaviour (see Emirbayer & Goodwin 1994). These considerations are similar to those of Scharpf (1990; 1991; 1994) on the empirical usefulness of game theory and particularly relate to the conditions under which the simplifying assumptions needed for such modeling are plausible, and when they are not. The quantitative and qualitative parts of this thesis are then complementary in the sense that the latter can provide guidance on the conditions under which the assumptions of the former are more likely to hold. In that sense, they help to strike a balance in finding theoretical assumptions that have an adequate range of explanation, while still providing some degree of descriptive accuracy (see Sartori 1970; Bendor 1988).

Still, we should note that the function of simplifying assumptions is that they make complex communication patterns between a diverse array of actors tractable (see Maoz 2012). Similar to other types of models, their strength primarily lies in providing *precise* predictions about the behaviour of complex actors in complex networked contexts (Page 2018). In that sense, formal modeling thus has an important role in deepening our knowledge of how increasingly complex (policy and administrative) networks may function, as they are otherwise too complex to fruitfully study (see Lubell et al. 2012; Berardo & Lubell 2019). Critically analyzing the simplifying assumptions of these models as suggested above, is then primarily helpful in gaining a more sophisticated interpretation of the research findings based on these models. In particular, comparing the plausibility of modeling assumptions to the descriptive reality of the empirical context in which they are applied, can help to make better

sense of anomalous research findings, as well as a better diagnosis of misspecified models or over-attribution of outcomes to network-like factors (cf. Scharpf 1994). Herein lies the complementary nature of different kinds of studies, based on different kinds of methodological designs.

## 6.4 THEORETICAL IMPLICATIONS

The above-provided discussion of findings has several implications. Firstly, at the theoretical level, the findings of this thesis require us to take structural network properties more seriously when studying globalizing administrative patterns and their effects on domestic actors. As markets (have) become increasingly internationalized, the functioning of domestic actors has likely become interdependent with that of foreign counterparts (see Farrell & Newman 2016). This also means that their actions and decision-making cannot be studied in isolation, but that scholars should more explicitly account for the way in which agencies are embedded in transnational networks of foreign regulators and transnational institutions. Moreover, given that this embeddedness takes a particular form or structure (see Uzzi 1996), network-structural variables should take a central place in modelling how transnational networks develop, as well as what their effects are likely to be. Important to emphasize is that doing so requires more effort than simply looking at the direct connectedness of agencies to foreign counterparts. As this thesis demonstrates, the structure of indirect relationships surrounding actors' network positions is crucial to consider (see also Maoz et al. 2007; Cranmer & Desmarais 2016), as it gives substance to the idea of embeddedness and the way in which trust and norms of cooperative behaviour emerge in the context of transnational collaboration (see Van de Ven 1976; Obstfeld 2005; Kinne 2013).

The literature studying domestic actors in transnational administrative networks (Bach et al. 2016; Mastenbroek & Martinsen 2018) should thus extend their models by not only including domestic or sectoral factors (see Bach & Neman 2010; Van Boetzelaer & Princen 2012), but also explicitly incorporating network-structural factors. Rather than assuming agency decision-making to occur in isolation, such network-structural factors do more justice to the interdependence characterizing transnational collaboration patterns and the uncertainties underlying them. Moreover, such structural patterns have relevance for the potential role of transnational networks as regulatory intermediary (see Abott et al. 2017; Jordana 2017), as it influences the way in which these intermediaries can facilitate coordinative activities and help to disseminate soft law standards across jurisdictions. In particular, as

Chapter 2 demonstrates, the relational structures that exist within these networks are likely to moderate the effects that these intermediaries have and can help scholars to think more clearly about the differing degrees to which domestic agencies are susceptible to transnational collaborative initiatives (see also Feiock & Scholz 2010).

Secondly, the findings of this research require scholars studying transnational collaboration to take more seriously what the implications are of making decisions under conditions of uncertainty. The role of network relationships is somewhat paradoxical in this regard: on the one hand such network relationships help agencies to manage uncertainty, by providing them with access to necessary information and resources (Chapter 2 and 3). On the other hand, the increasing prevalence of these transnational networked relationships are itself a source of uncertainty, given the limited staff and resources with which agencies typically operate and the wide variety of working groups, committees, and collaborative partners with which they can potentially engage (Chapter 4 and 5). To manage this latter form of uncertainty, intra-organizational factors are crucial to consider as they largely determine the information-processing capabilities of the agency and the way in which the organizational core is buffered from outside disturbances (Thompson 1967). Coping with uncertainty has long been viewed by organizational theorists as “the essence of administrative process” (Ibid., 159) and is a crucial consideration for domestic agencies coping with complex transnational environments as well.

Theoretically, these considerations have important implications for the models currently used to theorize about globalizing administrative patterns and its implications (Bach et al. 2016). Particularly for the principal-agent or bureaucratic politics models that have been dominant in public administration scholarship, this thesis calls up a number of questions about the status of these models as an empirical theory (see also Waterman & Meier 2004). As Chapter 5 demonstrated, the amount of information flowing down from transnational arenas is vast and ambiguous and needs to be processed before it can inform decision-making. Moreover, the organizational structures and mechanisms in place to facilitate this process, likely direct attention to particular aspects of policy issues and result in a biased form of “uncertainty absorption” (see March & Simon, 1958; Egeberg 2012). In theoretically understanding the effects of transnational network on the operations and functioning of domestic actors, what P-A scholars perceive as manifestations of “shirking behaviour” or “institutional rivalry” and offer as evidence of a loss of political control (Newman 2008; Bach & Ruffing 2013; Bach et al. 2016), may in fact be an organization and its officials grappling with the complex transnational environment in which it has come to operate (see Pandey & Wright 2006). In that sense, the uncertainty arising from

such complexity is crucial to consider when studying the behaviour and interests of domestic “agents” in relation to processes of internationalization.

Thirdly, the different analytical foci of this thesis point to the importance of considering cross-level effects when trying to understand the way in which globalizing administrative patterns develop. Importantly, these patterns are built up from the interpersonal interactions between domestic officials representing the particular subunits of different governments (see Keohane & Nye 1974; Pawlak 2009). These individuals are embedded within a particular organizational structure and the organization itself is typically embedded by a broader political-institutional structure (see Eberlein & Newman 2008; Yesilkagit 2011). Changes at one of these levels likely has consequence for the other levels as well, meaning that questions about globalizing administrative patterns are inevitably also questions with a cross-level nature. For instance, changes in principal-agent relationships at the national level, potentially influence structural design choices within agencies (e.g. centralizing tendency), which impedes the behaviour of domestic officials operating in a particular transnational network. Conversely, the adoption of formalized agreements or standards at the transnational level that subsequently affect domestic political-institutional structures, may be the result of micro-level interactions between domestic officials, growing out of the social or personal relationships that they maintain.

A core message of this thesis is then that focussing on either micro- or macro-levels of analysis in studying globalizing administrative patterns is likely to lead to incomplete understandings at either level (Hitt et al. 2007; Moynihan 2018). Instead, theorizing should explicitly focus on macro-micro and micro-macro links and the empirical chapters of this thesis point to potential mechanisms or bridging assumptions connecting these levels (see Hedström & Ylikoski 2010; Raub et al. 2011). For instance, in terms of macro-micro links, note that the overall structure of transnational networks (Chapter 2 and 3) or institutionalized platforms or meeting places (Chapter 4) provide opportunities and constraints for domestic agencies when engaging in transnational collaboration, delineating possible courses of action. However, what specific actions domestic actors then take, is likely a result of the coordinative structures or organizational capacities that domestic actors have in place or the decision rules growing out of the inevitable bounded rationality of individual actors (see Chapters 4 and 5). To then go back to the macro-level, the eventual decision taken by the agency about standard adoption or partner selection subsequently affects and interacts with decisions of other actors, for instance giving rise to network effects such as tipping points or lock-in in the context of processes of regulatory harmonization (see Raustiala 2002). In studying globalizing administra-

tive patterns as they continue to develop, scholars are thus encouraged to explicitly characterize the level of analysis at which their theorizing occurs (e.g., individual-, organizational-, or network-level), as well as to think about the likely implications of findings for lower or higher levels (see also Jilke et al. 2019).

## 6.5 METHODOLOGICAL IMPLICATIONS

Methodologically, the analyses of this thesis also have several implications, particularly regarding the appropriate ways to study how complex transnational patterns of interaction develop and what their consequence are (see Maoz 2012; Scott & Ulibarri 2019). Most importantly, the (relational) interdependence underlying transnational forms of collaboration call for additional methodological requirements that are often not met by current studies looking at globalizing administrative patterns through a network-analytical perspective (e.g. Bach & Newman 2010; Maggetti & Gilardi 2011; 2014). Traditional network-analytical techniques, assuming independent observations and using cross-sectional data, are unable to track the dynamic and interdependent nature of networked patterns of collaboration. Particularly in answering explanatory research questions, merely providing network descriptive properties and inferring a causal argument based on regression-type modelling can be problematic (see Steglich et al. 2010).

In that sense, this thesis underlines recent calls in public administration research to “take network analysis more seriously” (Scott & Ulibarri 2019). Piecing out what mechanisms drive the interdependence between network structure and actor characteristics (selection or influence), is one of the core analytical challenges of social science research (see Steglich et al. 2010) and is relevant for the study of transnational networks and domestic actors as well. As this thesis shows, networks evolve dynamically over time, and in assessing the effects of transnational networks on participating actors, analysis should account for the continuously changing network context in which (actor) decisions are made. Each tie change modifies the state of the network, and later changes build on/are reliant on this new state (Snijders & Pickup 2018). To account for these processes of network and behavioural co-evolution, simulation based procedures provide the most reliable way to parameter estimation (see Snijders et al. 2010; Snijders & Steglich 2015), and its analytical leverage has also been demonstrated in the course of this thesis.

However, as the discussion on the complementary nature of the different chapters of this thesis already noted, the analytical leverage of qualitative data should also

be emphasized. As globalizing administrative patterns continue to develop, new forms of collaboration will emerge and complex contexts will continue to embed the behaviour of administrative officials (see O'Toole 2014). In studying these new forms of collaboration, the open-ended scope of qualitative methods then allow for particular contingencies to emerge, providing a better understanding of how existing theoretical models should be used when applied to the context of transnational collaboration, as well as how the findings of these models should be interpreted. Through the use of qualitative methods and in-depth case studies, (theoretical) ideas can be verified, new puzzles can be identified, and theoretical models can be further specified (see Ylikoski 2018). The crucial point here is to strike a balance between “dirty hands” and “clean models” (Hirsch et al. 1987) and qualitative data can provide clues about what this balance should look like. Although from a modelling perspective it makes sense to start with simple assumptions, qualitative research can help to elucidate when these assumptions become problematic and the introduction of more complex assumptions is warranted (see Lindenberg 1992; Raub et al. 2011).

## 6.6 PRACTICAL IMPLICATIONS

The findings of this thesis also have several practical implications. Firstly, the core focus on decision-making uncertainty in light of globalizing administrative patterns, also means that resourceful agencies are most likely to best cope with the accompanying complexity of these developments. *They* have the capacity to best process the vast amounts of information flowing from transnational policy arenas, deploy sufficient staff in the wide variety of transnational policy setting to keep track of what is going on, and accordingly influence transnational decision-making in a to them favourable direction (see also Drezner 2013). Complexity creates a larger scope for strategic behaviour, and the big and resourceful agencies are more likely to profit in this regard. As globalizing administrative patterns continue to develop (see Stone & Ladi 2015), the practical implications of these observations are thus that agencies from powerful countries are likely to become more powerful over time. Their capacity for information-processing allows them to keep track of what is going on in transnational policy settings and adjust their strategies, while smaller agencies are likely to be overwhelmed by ongoing developments.

These insights have implications for policy-makers at both transnational and national levels. At the transnational-level, the potential purpose of meeting platforms and institutionalized settings at the transnational level becomes more clear. In particular, such institutionalized settings can create the advantages of small-group

environments by facilitating regular meetings and taking care of according administrative requirements (Alter & Meunier 2009). This allows domestic actors to mitigate the uncertainties and costs implicit to transnational collaboration, enabling information exchange, negotiations about standard adoption, and the development of norms of cooperation and trust between actors that are otherwise geographically dispersed. Although the degree to which institutional settings fulfil such a function likely depends on a number of characteristics (see Chapter 4), opportunities for domestic actors to meet and exchange information, helps them to make more informed decisions about transnational policy solutions and their potential implications. This arguably decreases the role of power dynamics and information asymmetries within transnational networked forms of collaboration.

At the domestic-level, the findings of this thesis are also useful, in the sense that they can help agencies to think more clearly about their internal structures, particularly in terms of how it gives the officials that represent them transnationally the necessary capacity to operate collaboratively (see also McGuire & Silvia 2010). For instance, setting up specific boundary-spanning units or roles helps agencies to more effectively process information to inform decision-making and avoid information overload (Chapter 5), while explicit team structures help domestic officials to prepare international meetings by allowing for the of pooling of expertise and network capabilities (Chapter 4). However, caution is also advised, given that the structural design choices that help agencies to cope with the complex environments of transnational collaboration, potentially hamper their accountability within a national context. For agencies involved in transnational collaboration, the consideration that they network “in the shadow of (domestic) bureaucracy” provides them with a constant balancing act when thinking about how to set up their transnational activities and operations.

## 6.7 LIMITATIONS

Besides these implications, it should be noted that this dissertation also has several limitations. First, the analyses in the different empirical chapters focus on one specific regulatory sector, namely financial sector regulation. Although the choice for this prototypical complex research context has merits, particularly as a basis for analytic or theoretical inference (see Chapter 1), several cautionary notes should be made. For one, the quantitative studies focus on transnational collaboration between securities regulators, which is only one of the many regulatory sectors in which such transnational collaboration occurs. Moreover, within this field it

primarily focuses on standards referring to enforcement cooperation. Although this thesis provides a useful plausibility probe for assessing the leverage of network-analytical explanations, transferring the argument to more stringent standards or other regulatory sectors with different characteristics and idiosyncrasies should be done with caution. Similarly, the status of much of the qualitative evidence is limited to the Dutch research context, focusing on its national financial regulators and ministry officials. Although the studied cases contribute to a more general theoretical understanding of how domestic agencies internally structure and coordinate transnational network activities, it should be noted that the gathered evidence potentially emphasizes contingencies particular to those specific research settings.

Secondly, in terms of the causal arguments of the first two empirical chapters, note that the forms of longitudinal network analysis presented in these chapters do not provide evidence for causality in the counterfactual sense of the word. A crucial challenge for causal inference in the context of network analysis, is that there always exists the possibility that connected actors exhibit similar kinds of behaviour not because they influence each other (causality), but because actors that are similar tend to form ties (homophily) (see Elwert & Winship 2014). This is especially problematic when the causes for homophily are unobserved (see Shalizi & Thomas 2011). The longitudinal aspects of our network studies *do* allow for an argument regarding temporal order, i.e. establishing whether first the network relationships change and then behaviour changes, or vice versa. (see Snijders & Pickup 2017), which partly helps in separating selection and influence effects. However, in the absence of counterfactual or more direct forms of evidence about what drives the behaviour of network participants, the possibility should always be considered that network effects are *epiphenomenal* to some underlying causal force or alternative explanation not considered in the theoretical models.

Thirdly, another limitation to consider is that in empirically studying network relationships, the analysis has not really looked at the various types of network relationships that can exist between agencies. To simplify the analysis and derive a straightforward network structure, it was assumed that agencies maintain single-type ties, with dichotomous values signifying the existence or absence of relationships. However, as the qualitative chapters of this dissertation demonstrate, the network relationships between actors may vary widely in terms of the type of contact, the frequency of interaction, and the strength of relationships. In understanding the effects of transnational networks on domestic actors, the characteristics of the ties that make up the network are likely to have important implications. Network members play multiple roles and are thus likely to be embedded by different types

of relationships (see Shipilov & Li 2012), which is not accounted for in the network-analytical chapters of this thesis. In addition, in conceptualizing the network, membership was primarily defined by only looking at interactions between similar kinds of actors, i.e. regulators and ministry officials. In that sense, the studied patterns of interaction are primarily transgovernmental ones (i.e. between like sub-state actors), rather than more general transnational ones, in which non-governmental and private actors such as business and industry stakeholders are also included (i.e. the political economy view) (see Eilstrup-Sangiovanni 2017).

Fourthly, with regard to the evidence status of the qualitative data of this thesis, it should be noted that the conducted interviews rely on the subjective impressions of interview respondents. Parts of these problems are tackled by interviewing several respondents from the same organizations, allowing for more valid conclusions about said organization. In other words, speaking with multiple respondents and asking about similar processes helps to verify provided accounts and gives a more balanced representation of the phenomenon of interest (Eisenhardt & Graebner, 2007). However, it should be noted that when respondents talk about the way in which they collaborate in transnational environments, this collaboration is not actually observed. Instead, the qualitative chapters rely on the ex-post rationalized accounts of these instances of collaboration and the way in which they are prepared within the organization. Social desirability may be at work here, in which respondents are concerned with impression management to portray themselves and their organizations as capable and professional (Leech et al. 2002). This potentially leads them to give a more calculated and strategic account of the way in which they behave in transnational settings, as well as how their agencies internally coordinate transnational network behaviour. Although the qualitative data are not used as direct evidence for some general theoretical claim, but rather as a basis for further theorizing, these considerations should be noted nonetheless.

## 6.8 FUTURE LINES OF RESEARCH

From these limitations and the earlier provided theoretical discussion, several future lines of research emerge. First, given that the forms of collaboration studied in the empirical chapters are typical for other kinds of collaborative settings as well (see Yang & Maxwell 2011; Efrat & Newman 2018), we can reasonably expect the network dynamics found in this thesis to be relevant for other fields of public administration research. Therefore, scholars are encouraged to assess the generalizability of findings, beyond the context of transnational collaboration between securities or

financial sector regulators. Comparing different research contexts gives us a better idea of how network effects vary across research settings and what particular contingencies potentially influence inter-agency agreement formation. For instance, comparing the findings of the quantitative chapters on regulatory agencies to the way in which collaboration agreements between executive agencies or ministerial departments form and develop is potentially interesting given the different forms of interdependence or political salience that characterize these types of collaboration (Egeberg & Trondal 2009). Moreover, for the qualitative chapters, further comparative designs are also encouraged to ensure that officials operating in different political-institutional contexts are studied and new potential contingencies, for instance at the country- or cultural-level, may emerge. All in all, such an agenda helps assess generalizability of findings toward other regulatory sectors and kinds of organizations/agencies, and provides lines for further theorizing, particularly regarding role of context in the applicability of the generated theoretical insights (see O’Toole & Meier 2015).

Secondly, investigating *multiplex* relationships in the study of transnational administrative networks is an important line of future inquiry. Multiplexity refers to the extent to which two actors are linked together by more than one (type of) relationship (Ferriani et al. 2013). From the qualitative chapters, we learned that many types of cross-national relationships can exist between regulatory agencies, from formalized agreements or general network membership, to co-participation in specific working groups or commissions, and personal interactions between regulatory officials. The co-existence of these different types of relationships implies that the existence of one may drive the emergence of others (Lomi & Pattison 2006; Shipilov & Li 2012). Looking at the content of ties, rather than merely studying the structure formed by them, is then a crucial research agenda for scholars studying globalizing administrative patterns from a network-analytical perspective. The relationship between social and economic ties has long been studied by organizational theorists (Granovetter 1985; Uzzi 1996) and also holds promise for bringing together scholars studying inter-agency collaboration from a structural and behavioural perspective (see Bach et al. 2016). Theorizing and analyzing such relationships can help to answer important questions regarding the role of social dynamics in explaining structural-institutional forms and vice versa. Interesting to consider in this regard, are the potential overlapping ties in upper echelons (Haunschild & Beckman 1998) or the way in which formal ties are intertwined with personal relationships (Uzzi 1996). However, note that the analysis of multiplex relationships also brings potential additional methodological challenges, for instance in terms of data collection

requirements (see Henry et al. 2012) or modelling considerations (see Skvoretz & Agneessens 2007).

Third, scholars are encouraged to more explicitly consider the time dimension in how transnational networks evolve and what their effects are. The analyses of the second and third chapters demonstrate the importance of longitudinal designs in understanding processes of regulatory harmonization and the network effects that drive them. For the purposes of these chapters, a longitudinal design primarily helped to establish temporal order and in that way enabled a better distinction between selection and influence effects (Steglich et al. 2010). However, given the findings of these studies, in which the parameter values differed between periods of analysis, the time dimension of these networks also seems to be a promising avenue for future research. Time heterogeneity is not merely a modeling consideration, but an intrinsically interesting phenomenon in itself (see Lospinoso et al. 2011). Explicit theorizing should thus occur on how exogenous shocks or factors (e.g., financial crises, institutional changes) influence the existence, strength, and directions of network effects over time. Comparing network dynamics in the early stages of a network to the dynamics of later stages or *across* various stages of institutionalization may be promising agendas for future research, especially when looking at the current (institutionalized) nature of transnational collaboration (see Eberlein & Newman 2008; Saz-Carranza et al. 2016). In addition, before/after situations regarding exogenous shocks relevant to public administration research, such as changes in network funding (i.e. resource munificence) or explicit cutbacks (see Turrini et al. 2010), may also be relevant to consider.

Fourth, the behavioural implications of operating under conditions of high uncertainty should be studied further and seem particularly relevant for the complex context of transnational collaboration (see Hamilton & Lubell 2018). A core insight from scholars studying individual decision-making, is that such uncertainty typically leads to selective information-process and the use decision-making heuristics (see Simon 1985; Jones 2001; Vis 2019). This analytical focus on the role of heuristics and biases in human judgment and decision-making has increasingly gained ground in public administration research (see Grimmelikhuijsen et al. 2016) and can be used as inspiration for studying individual behaviour in the context of complex transnational environments as well, for instance when studying collaborative choices. A first step is then to describe what exactly these heuristics are and how they are used in a transnational context (see Walgrave & Dejaeghere 2017). After that, more specific theorizing can proceed to identify the specific conditions under which these heuristics are (more) likely to occur. A particularly important agenda regarding this

latter point, is to look at the institutional and organizational settings in which officials operate (see Bendor 2010). As demonstrated in Chapter 4, the characteristics of these settings may help individual decision-makers to cope with complex environments and mitigate decision-making problems. In looking at behavioural dynamics in the context of complex transnational environments, scholars should thus not only rely on applying psychological knowledge to public administration research, but also theorize at a higher level, focusing on the organizational or institutional solutions that help individual decision-makers to better deal with complexity and potentially mitigate identified decision-making biases and heuristics.

Lastly, in trying to understand globalizing administrative patterns and their effects on domestic agencies, we should think more clearly about the potential accountability issues involved (see Yesilkagit 2016). The weak presence of citizen participation in such networks, as well as a lack of visibility and uncoupling from the democratic circuit, potentially raises a number of challenges for the operation of these networks (see Papadopolous 2007; Van Osch 2017). However, given the extensive chains of delegation that exist for domestic agencies operating in transnational settings, strict top-down accountability solutions are potentially problematic and hamper these agencies' capacity to operate effectively in complex networked environments (see Chapter 5). In thinking about what a system of "checks and balances" in the context of transnational collaboration may look like (Slaughter, 2004: 29), future lines of research are encouraged to also explore bottom-up forms of accountability, which more explicitly emphasize norms of professionalization and expertise, as well as more symbolic forms of representation (see Eisner et al 1996; Groeneveld 2016; Meier 2019).

## 6.9 CONCLUSION

Given the increasing prevalence of transnational networks in various regulatory and policy sectors (see Newman & Zaring 2013; Efrat and Newman 2018), this dissertation provides a basis for further theorizing about ongoing and future developments in the fields of regulatory governance and public administration. Given that these networked forms of collaboration are expected to play an important role in pressing transnational policy problems, such as global warming, refugee crises, financial meltdowns, or terrorist activities, the effective functioning of such networks is crucial. However, besides looking at the ways in which these networks can be effective, we should also think more clearly about the effects these networks may have on domestic bureaucratic structures, and the way in which they increasingly challenge

domestic agencies and departments to operate in relational modes. On the one hand, this is a management issue, requiring solutions about how to effectively guide and control network behaviour and manage increasingly complex information flows. On the other hand, this is a political issue, raising concerns about steering and controlling domestic officials operating outside the confines of domestic bureaucratic structures. In thinking about how transnational networks affect domestic actors and agencies, this balancing act between effectiveness and accountability is a core challenge for both research and practice.

