

# GOVERNANCE ROBUSTNESS & RESILIENCE

TALK DELIVERED AT THE INTERNATIONAL INSTITUTE FOR APPLIED SYSTEMS ANALYSIS - IIASA,  
LAXENBURG, 12 DECEMBER 2017

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Theoretical background in  
“**Governance Networks in Politics**” in  
Hollstein, Matiaske & Schnapp (eds), 2017  
*Networked Governance*, Springer

[www.dimitriscc.wordpress.com](http://www.dimitriscc.wordpress.com)



- Can we predict how a policy impacts a governance system?
  - Or framed in relational terms: **is the probability of policy success/failure reflected in the structural properties of governance networks?**

Governance process and outcomes can be associated to:

- The capacity of a political system to sustain predictable shocks – **structural core robustness**
- The capacity of a political system to sustain low probability shocks – **contingency robustness & integrity resilience**
- Systemic flexibility dealing with challenges of change across the policy cycle – **adaptive resilience**

# Relations & Political Networks

Journal of European Public Policy 13:5 August 2006: 757-778



## Relational attributes of political entrepreneurs: a network perspective

Dimitrios C. Christopoulos

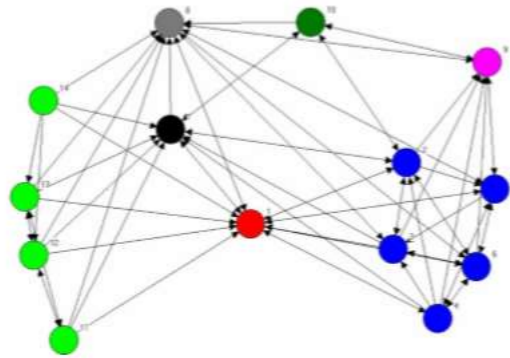


Figure 1 Network of actors reacting to the Ryanair/Charleroi decision of the EU Commission in February 2004  
Source: Network constructed by data entry into UCINET (Borgatti et al. 2002) and visualized with Netdraw.

Political entrepreneurs outsmart the EU Commission

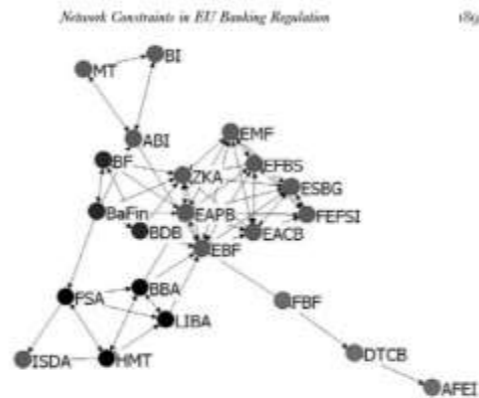
# Political Agency & Institutional Structure

Jnl Publ. Pol., 29, 2, 179-200  
doi:10.1017/S0143814X09001068

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Printed in the United Kingdom

## Network Constraints in EU Banking Regulation: The Capital Requirements Directive

DIMITRIOS C. CHRISTOPOULOS *Politics, University of the West of England*  
LUCIA QUAGLIA *Politics and European Studies, Sussex University\**



GRAPH 2: CRD consultation phase. Ties represented if at least three informants were in agreement.  
Note: Graphs, implementing the MDS algorithm in the Netdraw software (Borgatti et al. 2002).

Political brokers engineer a compromise facilitating the 2007 financial crisis

# Governance

Regional and Federal Studies  
Vol. 16, No. 4, 363-383, December 2006



## Governance Capacity and Regionalist Dynamics

DIMITRIOS C. CHRISTOPOULOS

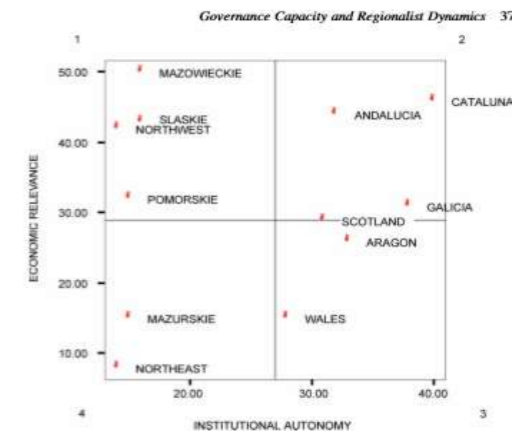


Figure 1. Scatterplot of economic relevance with institutional autonomy

Economic development is associated to governance capacity

CROSS SECTIONAL ANALYSIS

## Integrating structure and agency in environmental policy

Exceptional agents appear to oscillate between roles to suit

- the audience,
- the nature of the policy challenge and
- the shifting dynamics of the policy cycle (i.e. governance states).

Exceptional agents can be assumed to facilitate systemic resilience.

European Political Science Review, page 1 of 24 © European Consortium for Political Research  
doi:10.1017/S1755773914000277

### Exceptional or just well connected? Political entrepreneurs and brokers in policy making

DIMITRIS CHRISTOPOULOS<sup>1,2\*</sup> AND KARIN INGOLD<sup>3,4</sup>

Political entrepreneurs and brokers in policy making 11

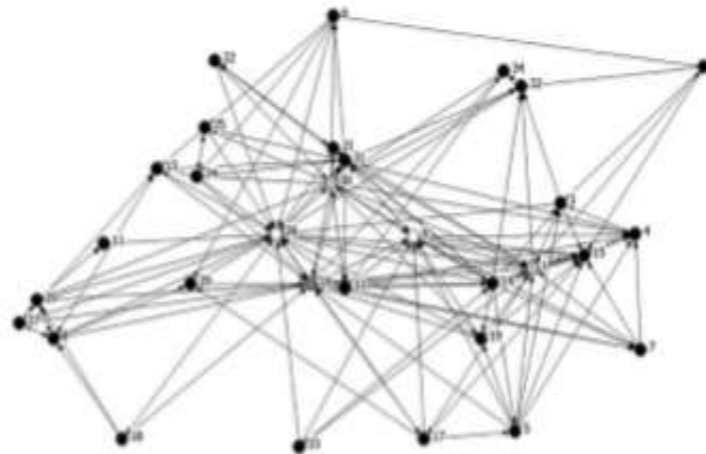


Figure 2 Swiss climate policy network in 2002–2005. Ties represent reported collaboration between actors (directed graphs), multidimensional scaling graph. White nodes are broker-entrepreneurs, dark gray are entrepreneurs, and light gray brokers.

- Policy entrepreneurs are **oscillating** between centrality and brokerage roles
- Mixed methods design indicates **centrality** is linked to power when there is low contestation (i.e. issue **salience** determines whether centrality matters)
- **Policy volatility** is associated to the inability of political actors to estimate political influence in a clustered political space (linked to information asymmetry)

# SYSTEMIC ANALYSIS: OSCILLATING POLITICAL AGENTS

## Altruistic economic behaviour entails political imperatives

Political volatility a key concern for economic actors who recognise that they also have political agency

*Journal of Social Entrepreneurship*, 2015  
Vol. 6, No. 1, 1–30, <http://dx.doi.org/10.1080/19420676.2014.954254>



### The Motivation of Social Entrepreneurs: The Roles, Agendas and Relations of Altruistic Economic Actors

DIMITRIS CHRISTOPOULOS\* & SUSANNE VOGL\*\*†

*The Motivation of Social Entrepreneurs* 21

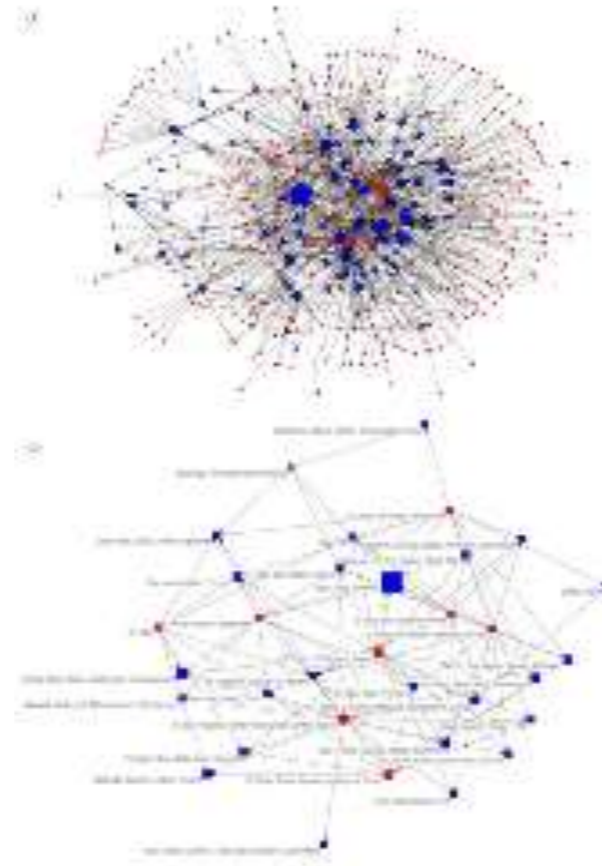


Graph 1. Semantic network. Nodes weighted by eigenvector centrality.

- Actors who in pursuit of sustainable economic outcomes combine multidimensional agency:
  - Economic
  - Political
  - Civic/ social
- Semantic Network Analysis

# & AGENT PREFERENCES

## Socio-ecological systems and political governance



Ecology of Games, Lubell, 2013

## Sustainability and systemic robustness

- Robustness to shock
- Viability under stress
- Resource flow disruptions
- Natural ecological disasters
- Challenges of collective action

## Future Work? :

- Inverse Tragedy of the Commons
- Prevalence of pro-social behavior
- Multiplexity & Complexity



# DEFINING ROBUSTNESS AND RESILIENCE I/III

- These are perceived as **properties of systems of political governance**
- We aim to **assess the impact of shocks** (whether internal or external)
- Ideally we should distinguish between systemic
  - ❖ process
  - ❖ state
  - ❖ outcome
- **Shocks associated to:**
  - **Adaptation & anticipated change**
  - **Risk from unanticipated change**
    - known-unknowns and
    - unknown-unknowns



# DEFINING ROBUSTNESS AND RESILIENCE II/II

- These are perceived as properties of systems of political governance
- We aim to assess the impact of shocks (whether internal or external)
- Ideally we should distinguish between systemic
  - ❖ process
  - ❖ state
  - ❖ outcome
- Shocks associated to:
  - Adaptation & anticipated change
  - Risk from unanticipated change
    - known-unknowns and
    - unknown-unknowns

**Robustness:** Systemic ability to withstand shock, i.e. how thick are the castle walls

- Linked to estimable risk
- Reflects structural integrity of a system in maintaining its core functions under duress





# DEFINING ROBUSTNESS AND RESILIENCE III/III

- These are perceived as properties of systems of political governance
- We aim to assess the impact of shocks (whether internal or external)
- Ideally we should distinguish between systemic
  - ❖ process
  - ❖ state
  - ❖ outcome
- Shocks associated to:
  - Adaptation & anticipated change
  - Risk from unanticipated change
    - known-unknowns and
    - unknown-unknowns

**Resilience:** Systemic ability to deal with drastic failure/change as a result of shock, i.e. what happens after the collapse of the first line of defence

- Linked to risk that cannot be estimated
- Reflects structural effectiveness in maintaining systemic functions and
- Ability to adapt to change



## THOUGHT EXPERIMENT

BACKGROUND

Given a unified political system (a single net component) with evidence for the prevalence for a key network theoretical claim (i.e. brokerage, clustering etc)

EVENT

an external shock eliminates a non-trivial number of ties and/or nodes.

OUTCOME

Will the surviving network structure (i.e. largest component) be able to efficiently **diffuse information** and/or allow for the execution of **coordination tasks**? (i.e. level of fragmentation, path length etc)

**Comparing theories:** which are the best at identifying robust and resilient systems?

# THEORIZING

# Theorizing Political Governance Robustness and Resilience I/II

## Theory

## Key network concept

## Locus of Power

T1. Granovetter's **weak ties**

➤ serendipitous access to information

○ access to information

T2. Burt's **structural holes**

➤ agents strategize to occupy advantageous positions

○ brokers

T3. Eisenhardt's **principal-agent theory**

➤ mediating political agents act in the name of the principal

○ information asymmetry

T4. Ostrom's **collective action model** (cf Lubel)

➤ agents may have diverging interests from principals

○ agent roles

T5. Simmel's cliques (cf Krackhardt)

➤ embedded transitive ties

○ *tertium gaudens*

T6. Keyplayer

➤ network fragmentation contingent to elimination of certain nodes

○ keynodes

# Theorizing Political Governance Resilience II/II

## Theory

## Systemic Power Assumption

## Governance Resilience

## Governance Robustness

T1. weak ties

➤ mediators do not exact rents for valuable information

○ in evidence of diffuse ties

○ In ability to disrupt

T2. structural holes

➤ mediators exact rents and actively attempt to maintain structural holes

○ measure of bridge decay

○ on level of fragmentation

T3. principal agent

➤ mediators exploit principals by taking advantage of an information advantage

○ uncertain

○ evident in embeddedness

T4. collective action

➤ informed principals can optimise common resource use

○ uncertain

○ evident in cohesion

T5. cliques

➤ *tertium gaudens*, a mediator can benefit from the conflict of their alters

○ path length

○ clique overlap

T6. keyplayer

➤ maintaining cohesion

○ ratio of fragmentation to distance attenuation

○ fragmentation

# STUDY DESIGN A: LONGITUDINAL

## The Stability Risk Of Political Ecosystems

- **Key assumption: resilience and robustness can be assessed through the persistence of systemic functions**
  - but also via attrition in multi-modal ties
- Theory: Prevalence of Simmelian ties will impact robustness
- Operationalisation: Relations can be examined as multi-layered and combine:
  - Mandated, formal and directed networks
  - Affiliation and multi-mode relations
  - Affective and preference ties
  - Personal and organisational ties
- Caveat: Compatibility of underlying assumptions
- Measure:
  - bridge decay (agency),
  - oscillation bridge-bond (agency, resilience),
  - **maximum path length does not increase (resilience)**
  - **Simmelian clique prevalence (robustness)**

Some **limitations** with studying governance networks:

- Distinct state and process dynamics
- Distinct process and outcome drivers
- A system of agents
  - Subject to state transitions: i.e. a punctuated equilibrium system:
- Each is unique
  - Case study
- Power unequally distributed among agents
  - Power is often latent
- Actors often hierarchically constrained

# STUDY DESIGN A: LONGITUDINAL

## The Stability Risk Of Political Eco-systems

- **Key assumption: resilience and robustness can be assessed through the persistence of systemic functions**
  - but also via attrition of multi-modal ties
- Theory: Prevalence of Simmelian ties will impact robustness
- Operationalisation: Relations can be examined as multi-layered and combine:
  - Mandated, formal and directed networks
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  - Affective and preference ties
  - Personal and organisational ties
- Caveat: Compatibility of underlying assumptions
- Measure:
  - bridge decay (agency),
  - oscillation bridge-bond (agency, resilience),
  - **maximum path length does not increase (resilience)**
  - **Simmelian clique survival (robustness)**

AIM is to optimise network structure towards robust and/or resilient governance

- path redundancy
- power-law distribution of ties
- scale-free networks (cf. self-healing nets)



# STUDY DESIGN B: KEYNODE DETECTION

## The Stability Risk Of Political Eco-systems

- Hypotheses:
  - [Assuming evidence of a shock]
  - **Systemic robustness evident in level of fragmentation**
  - **Systemic resilience evident in degree to which fragmentation and distance is concentrated on the same actors**

$$H = 1 - \sum_k \left( \frac{s_k}{n} \right)^2$$

## STUDY DESIGN B: KEYNODE METRICS

Keynode is optimising a network fragmentation statistic and calculating the value of each node to overall cohesion (Everett and Borgatti, 1999; Borgatti, 2006)

Implemented in R by An and Liu (2016) as an iterative algorithm optimized for group centrality

Herfindahl index:  $H = 1 - \sum_k \left( \frac{s_k}{n} \right)^2$

Information entropy:  $E = - \sum_k \frac{s_k}{n} \ln \left( \frac{s_k}{n} \right)$



## STUDY DESIGN B: RESEARCH DESIGN

Research design for a longitudinal field-experiment:

$G_{t1}$ - $G_{t2}$ -**SHOCK**- $G_{t3}$

Effect of shock:  $G_{t3} - G_{t2} = E$

Control for network stability rate:

$$G_{t2} - G_{t1} = ST_{t2-t1}$$

F: subset of ranked alpha fragmentation nodes

D: subset of ranked beta distance nodes

### HYPOTHESES

Robustness  $E_B$

$$\max(E_B) \leftrightarrow F_{t2} - F_{t1} \approx 0$$

i.e. robust structure evident in small change of fragmentation metric

Resilience  $E_S$

$$\max(E_S) \leftrightarrow \{F_{t2} \wedge D_{t2}\} = \{F_{t1} \wedge D_{t1}\}$$

i.e. resilient structure evident when intersection of top ranked nodes in alpha and beta, is stable across time



- Governance as the *product* of political exchange is associated to the *quality of interaction* between political agents. Jones et al. (1997) and Robins et al. (2011) term this to be governance embeddedness.
- Governance as a *process* is associated to changes in the *patterns of interaction* between political agents. For instance, the degree to which there are changes in core-periphery, the multiplicity of clusters, the persistence of cliques, prevalence of brokers or the skewness in the distribution of ties. All these relational properties affect the agency of political actors (Christopoulos and Ingold, 2015). *This is the focus of governance robustness and resilience as examined here.*
- Furthermore, governance *research designs should ideally capture the multiple dimensions of political agency* with a contingent capture of (meso-level) structure. This can be achieved *with dynamic, multi-level and multi-mode analysis* (Knoke, Diani & Christopoulos, forthcoming, CUP).
- *Research design decision: agents, systems or both?*



Estimating governance resilience and robustness can be instrumental in identifying :

the effectiveness & efficiency of governance systems

the risk of process failure

the risk of outcome failure

& the capacity of systems to adapt

Ultimately this is associated to the study of policy governance & political risk





Thank you for your attention.

Look forward to your questions....

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# LEADERSHIP NETWORKS IN BANKING

*European Journal of Political Research* ●●●●●, 2017  
doi: 10.1111/1475-6765.12237

## Reputational leadership and preference similarity: Explaining organisational collaboration in bank policy networks

SCOTT JAMES<sup>1</sup> & DIMITRIS CHRISTOPOULOS<sup>2</sup>  
<sup>1</sup>King's College London, UK; <sup>2</sup>MODUL University Vienna, Austria

*European Journal of Political Research*, 2017

Funder by the UK ESRC.

ERGMs are Monte Carlo Markov Chain simulations that allow model testing that combine network structural characteristics (i.e. reciprocity) with attributes of nodes (i.e. leadership) with variables associated to tie formation at the dyadic level (i.e. reputation).

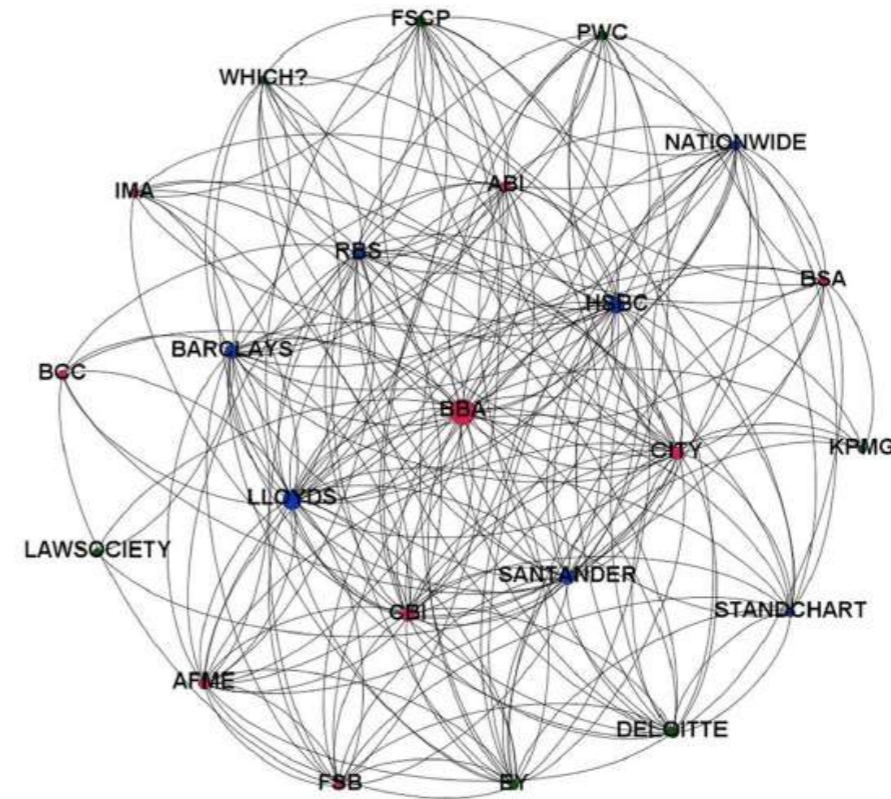


Table 2. Estimation results for the ERGM

	Model A	Model B	Model C	Model D	Model E	Model F
Arc	-0.8566* (0.149)	-5.091* (0.783)	-8.115* (1.041)	-7.7239* (1.054)	-9.3769* (1.177)	-8.8902* (1.167)
Reciprocity	1.3988* (0.267)	1.2977* (0.305)	1.058* (0.342)	1.029* (0.309)	0.9531* (0.328)	0.9597* (0.346)
Path closure (ATA-T)		1.7986* (0.375)	0.8491 (0.432)	0.8647 (0.465)	0.8018 (0.415)	0.8438 (0.427)
Cyclic closure (ATA-C)		-0.4233 (0.254)	-0.0605 (0.277)	-0.0605 (0.257)	-0.1145 (0.276)	-0.1283 (0.266)
Popularity closure (ATA-D)		0.2524 (0.324)	0.7208* (0.358)	0.6247 (0.346)	0.7009* (0.338)	0.5988 (0.392)
Activity closure (ATA-U)		0.1314 (0.308)	-0.5662 (0.302)	-0.5546 (0.285)	-0.4826 (0.304)	-0.4309 (0.304)
Reputational leadership (outgoing)			-0.0918 (0.175)	-0.1263 (0.179)	-0.083 (0.178)	
Reputational leadership (incoming)			0.7132* (0.263)	0.6495* (0.286)	0.6827* (0.282)	
Organisational salience (outgoing)			0.1044 (0.107)	0.1494 (0.108)	0.1749 (0.109)	0.1746 (0.121)
Organisational salience (incoming)			0.8507* (0.136)	0.8423* (0.141)	0.8825* (0.136)	0.942* (0.145)
Organisational type				-0.422 (0.242)	-0.4349 (0.241)	-0.5458* (0.229)
Preference similarity					0.3163* (0.108)	0.2602* (0.108)
Reputational leadership (dyadic)						0.4418* (0.122)
Mahalanobis distance	-1770263	-5943	1213	2413	4283	-5543

Notes: Parameters with standard errors in parentheses \*Statistically significant at the 0.05 level. Reciprocity refers to the tendency to return cooperative behaviour in kind when forming ties (i.e., actor A will form a tie to B if a tie already exists from B to A). The four measures of transitivity examine whether network ties are partly closed and dique-like in structure (see Online Appendix 5 for a description of these terms).

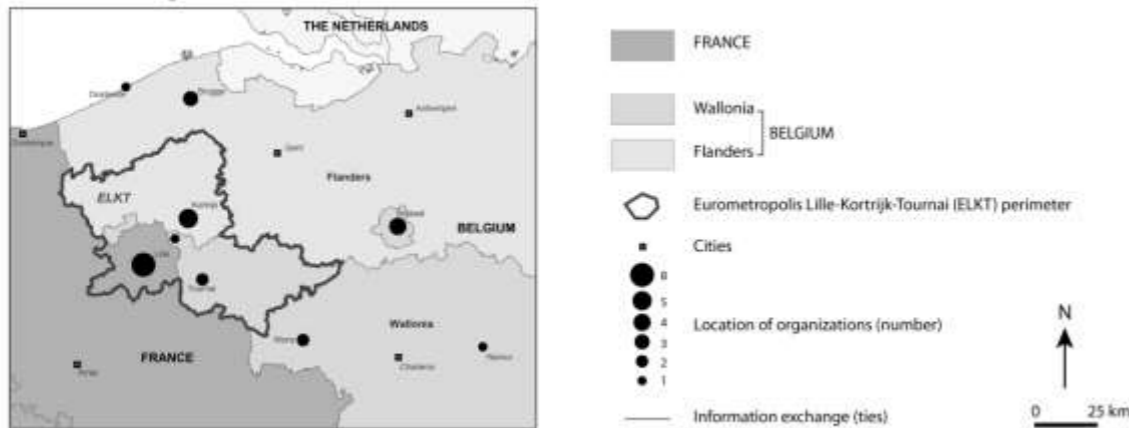
# CROSS-BORDER POLICY NETWORKS

## SOHN, CHRISTOPOULOS & KOSKINEN

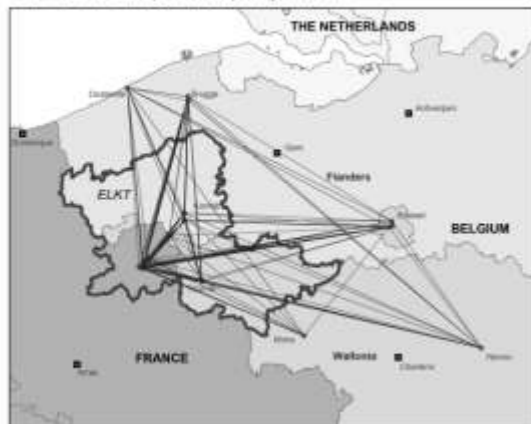
METRONET PROJECT, funded by the Luxembourg National Fund for Research.

Five case studies in Europe.

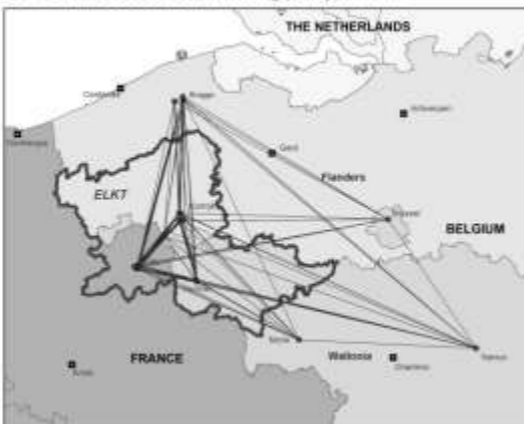
1a - Location of organizations



1b - Public transportation policy network



1c - Business location marketing policy network



Parameter	Lille						Basel									
	Estimates (SEs)						Estimates (SEs)									
	Model A		Model B		Model C		Model A		Model B		Model C					
<b>Structural effects</b>																
Arc	1.521*	(0.703)	-	0.337	(1.107)	0.360	(1.232)	0.756	(0.587)	-	2.596*	(0.830)	-3.91*	(1.169)		
Reciprocity	1.069*	(0.292)	-	1.033*	(0.350)	0.681	(0.347)	0.699*	(0.271)	-	1.413*	(0.464)	1.018*	(0.488)		
In2Star				0.023	(0.116)	-0.113	(0.148)				0.296*	(0.075)	0.321*	(0.092)		
Out2Star				0.0002	(0.120)	-0.101	(0.139)				0.034	(0.154)	0.121	(0.224)		
In3Star				-	0.012	(0.011)	-0.002	(0.013)			-	0.011	(0.007)	-0.012	(0.007)	
Out3Star				-	0.01	(0.011)	0.001	(0.012)			-	0.001	(0.018)	-0.01	(0.027)	
Transitive-Triad				0.210*	(0.044)	0.216*	(0.051)				0.057	(0.045)	0.041	(0.050)		
Cyclic-Triad				-	0.269*	(0.054)	-0.263*	(0.064)			-	0.164*	(0.072)	-0.171*	(0.077)	
<b>Actor attribute effects</b>																
Important actors Sender						0.536	(0.299)						0.807*	(0.352)		
Important actors Receiver						1.063*	(0.37)						0.346	(0.249)		
Important actors Interaction						-0.517	(0.428)						0.342	(0.542)		
<b>Other contextual effect</b>																
Cross-border cooperation						0.327*	(0.164)						-0.164	(0.210)		
<b>Spatial effects</b>																
Distance	-	0.198*	(0.064)	-	0.121*	(0.053)	-0.110*	(0.055)	-	0.126*	(0.057)	-	0.036	(0.034)	0.051	(0.051)
Territorial border						-0.499*	(0.193)						-1.27*	(0.278)		

**Geography has a U shaped effect on the creation and maintenance of a tie.**

**Administrative borders sometimes act as catalysts to Policy Networks.**

# THE ROLES ACTORS PLAY IN POLICY NETWORKS: CENTRAL POSITIONS IN STRONGLY INSTITUTIONALIZED FIELDS

INGOLD, FISHER & CHRISTOPOULOS,  
FORTHCOMING IN NETWORK SCIENCE

Centralities are a widely studied phenomenon in network science. In policy networks, central actors are of interest because they are assumed to control information flows, to link opposing coalitions and, finally, to directly impact upon decision-making. We study what type of actor (e.g. state representative; interest group) is able to occupy central positions in the highly institutionalized context of a policy network. We then ask whether **bonding or bridging centralities** are more stable over time, and how these types of centrality influence actors' positions in the network over time. We therefore adopt a **longitudinal perspective** and run Exponential Random Graph Models, including **lagged central network positions** at  $t1$  as the main independent variable for actors' activity and popularity at  $t2$ . Results confirm that only very few actors are able to maintain central positions over time.

	Bridging Centrality					
	Model 1 Effective size		Model 2 Pure HB		Model 3 Degree other coalition	
	t1-2	t2-3	t1-2	t2-3	t1-2	t2-3
Activity (Effective size)	0.06 (0.03)	0.04 (0.03)				
Popularity (Effective size)	0.13 (0.03)	0.09 (0.02)				
Activity (Pure HB)			0.02 (0.01)	0.03 (0.02)		
Popularity (Pure HB)			0.05 (0.01)	0.08 (0.02)		
Activity (Degree other coalition)					2.35 (1.34)	-3.14 (1.11)
Popularity (Degree other coalition)					-1.93 (1.36)	1.48 (0.92)
Activity (Constraint)						
Popularity (Constraint)						
Activity (Degree own coalition)						
Popularity (Degree own coalition)						
Activity (Betweenness)						
Popularity (Betweenness)						
State authorities activity	0.09 (0.23)	0.98 (0.39)	0.15 (0.23)	1.10 (0.40)	-0.02 (0.24)	1.27 (0.45)
State authorities popularity	0.08 (0.23)	-0.51 (0.44)	0.21 (0.21)	-0.09 (0.45)	0.26 (0.24)	-0.86 (0.42)
Admin. entities activity	-0.22 (0.26)	0.62 (0.41)	-0.13 (0.26)	0.70 (0.43)	-0.48 (0.31)	0.62 (0.46)
Admin entities popularity	0.42 (0.25)	1.24 (0.44)	0.38 (0.23)	0.78 (0.44)	1.02 (0.29)	1.26 (0.37)
Pro-economy IG activity	0.06 (0.23)	0.46 (0.41)	0.15 (0.21)	0.56 (0.42)	0.04 (0.22)	0.61 (0.45)
Pro-economy IG popularity	0.36 (0.23)	0.12 (0.47)	0.46 (0.21)	0.20 (0.47)	0.64 (0.23)	-0.02 (0.39)
Pro-environment IG activity	0.20 (0.23)	-0.56 (0.54)	0.26 (0.23)	-0.47 (0.54)	0.14 (0.23)	-0.29 (0.54)
Pro-environment IG popularity	-0.25 (0.25)	-0.22 (0.53)	-0.09 (0.22)	0.21 (0.52)	-0.02 (0.25)	0.06 (0.44)
Preference similarity	1.29 (0.15)	2.05 (0.27)	1.29 (0.16)	2.11 (0.27)	1.24 (0.16)	2.16 (0.27)
Edges	-3.59 (0.39)	-4.69 (0.61)	-3.23 (0.38)	-4.43 (0.59)	-3.59 (0.40)	-4.22 (0.55)
Reciprocity	1.14 (0.27)	1.25 (0.46)	1.21 (0.27)	1.29 (0.46)	1.22 (0.27)	1.43 (0.45)
Transitivity (GWESP, 0.1)	1.11 (0.24)	0.89 (0.25)	1.12 (0.25)	0.94 (0.25)	1.35 (0.23)	1.11 (0.24)
Transitivity (GWDSF, 0.1)	-0.17 (0.04)	-0.20 (0.07)	-0.19 (0.04)	-0.22 (0.07)	-0.13 (0.04)	-0.12 (0.07)
AIC	840.34	408.67	832.67	402.36	865.19	414.42
BIC	915.68	484.01	908.02	477.70	940.53	489.76
Log Likelihood	-405.17	-189.33	-401.34	-186.18	-417.60	-192.21