

Principals and Agents in Regulatory Networks:

The Structural Complexity of Implementation Systems

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A world map showing trade routes with arrows connecting various regions. Labels include Canada, United States, Mexico, Algeria, Egypt, Saudi Arabia, United Arab Emirates, China, Thailand, Philippines, Malaysia, and Indonesia.

Economic globalization

A world map with a grid overlay, representing a global framework or policy regime.

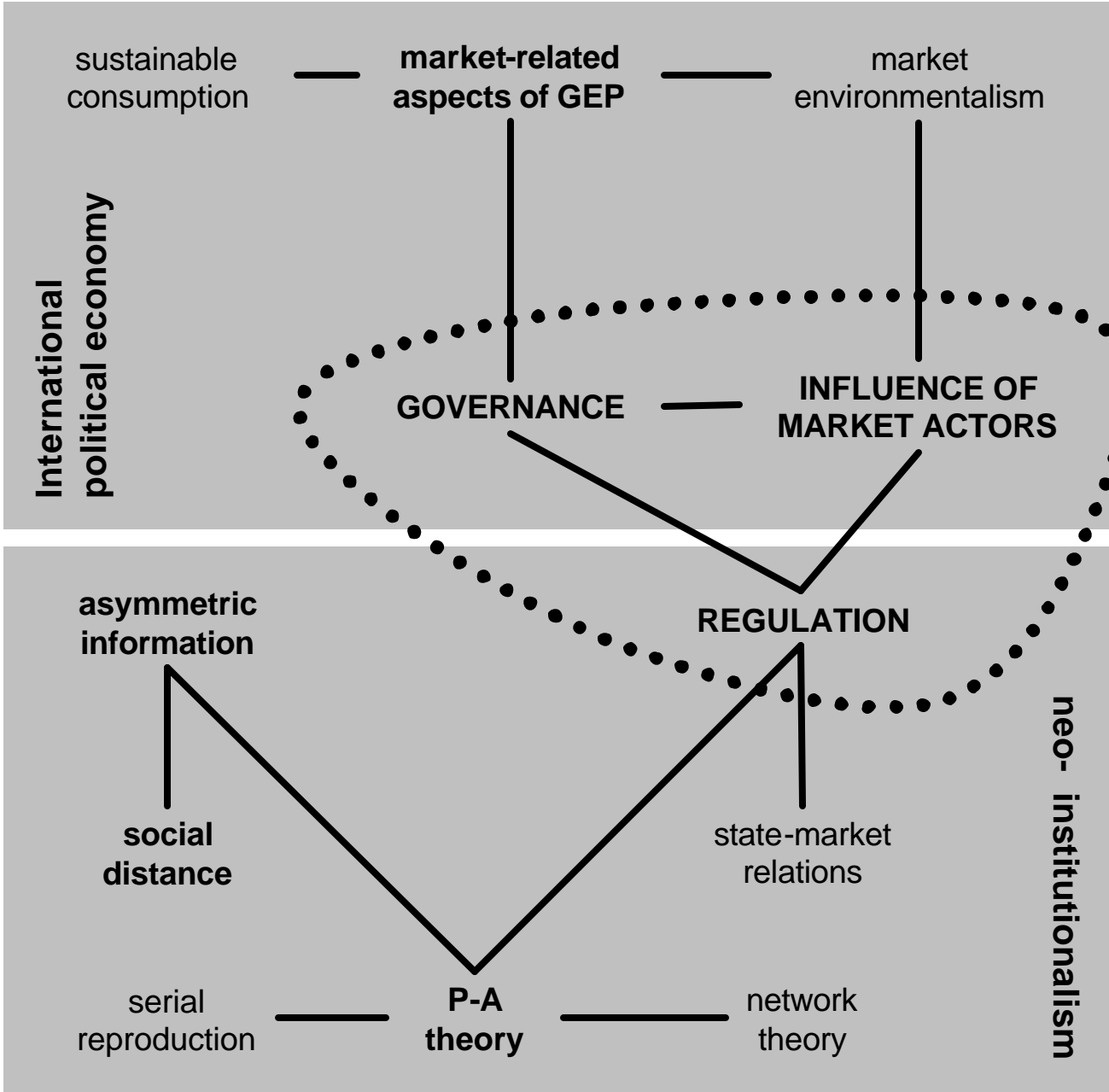
Neo-liberal policy regimes

A photograph of water lilies in a pond, with a fountain in the background, symbolizing public goods.

Pressures on public goods

A close-up photograph of a hand holding a pen, symbolizing governance or policy-making.

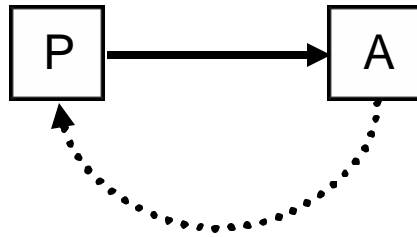
Civil society
Non-state market-driven governance



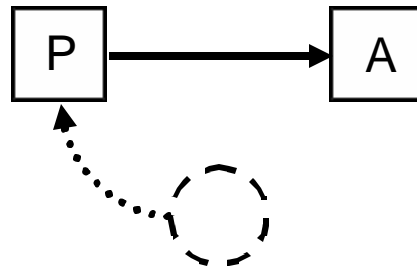
Delegation



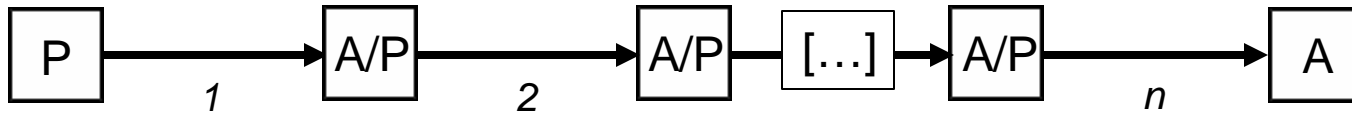
“Police patrol” oversight



“Fire alarm” oversight

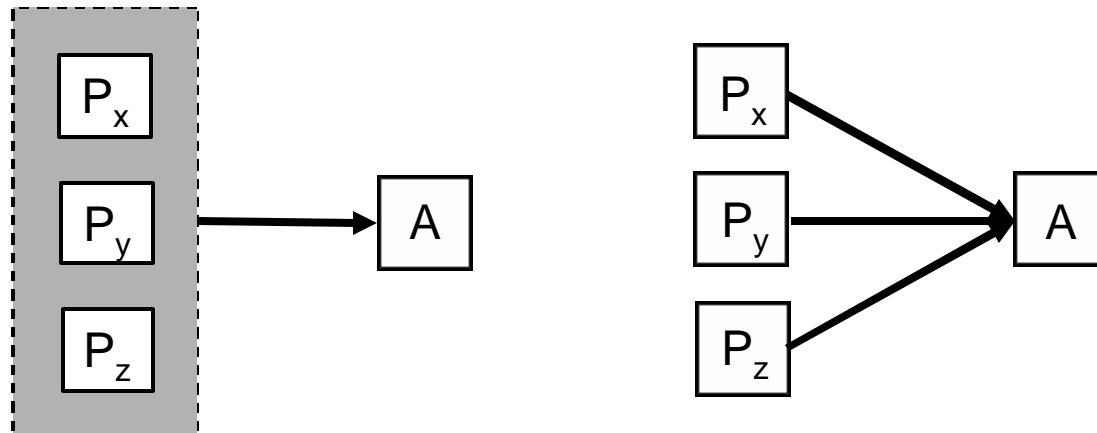


Extended delegation



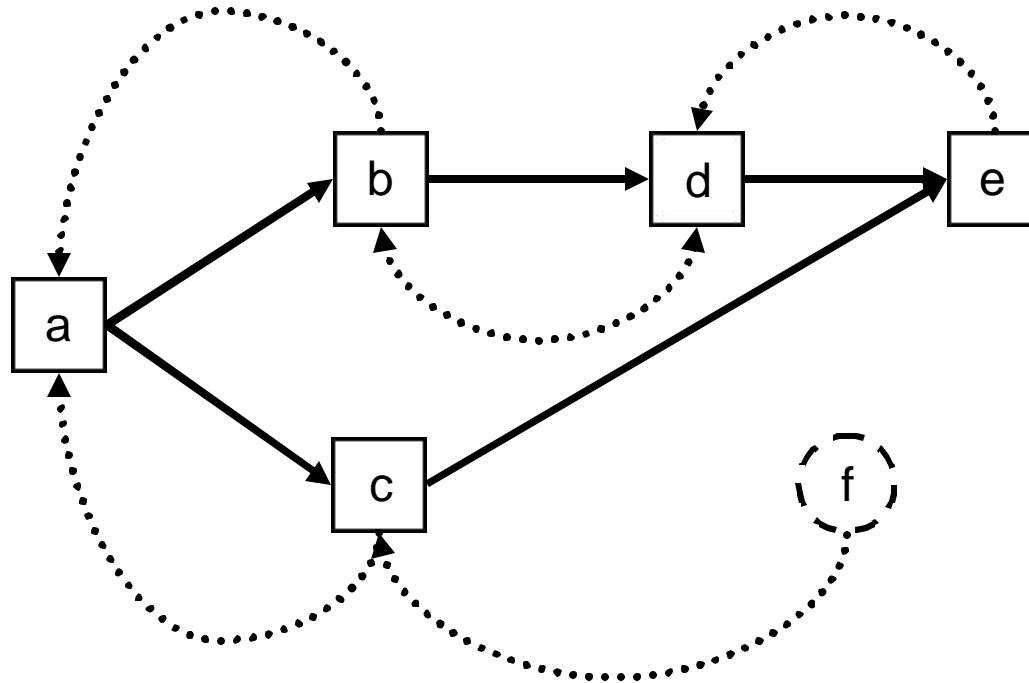
Sequential complexity

Multiple principals



Parallel complexity

Serial complexity = 3



Parallel complexity = 1

Constitutional hypotheses:

H₁: Determinacy:

All implementation roles must be describable as principal-agent relationships

H₂: Political breadth: (n^{th} parties)

There is no direct delegation between 1st and 2nd parties

Informational hypotheses:

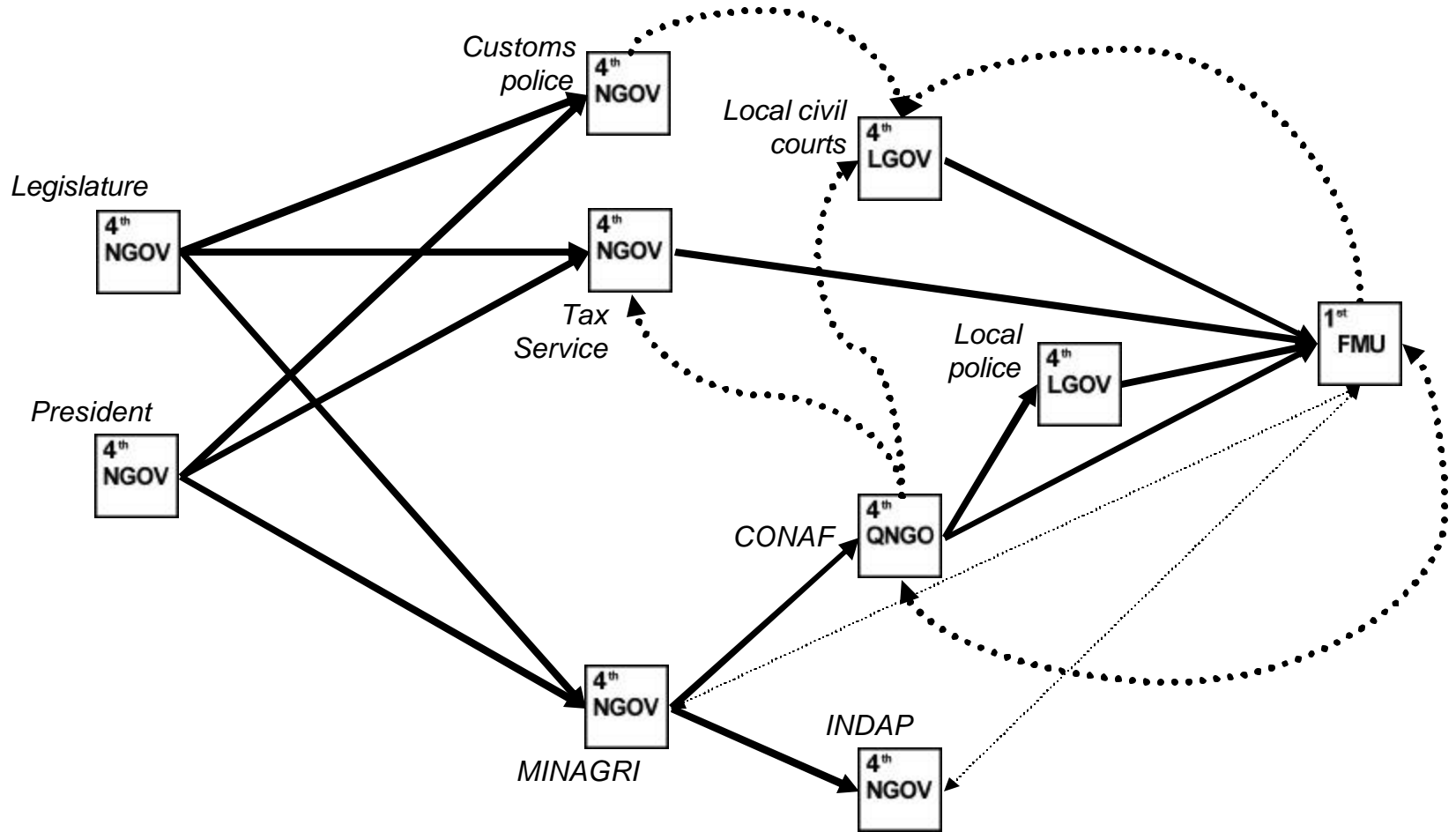
H₃: Sequential complexity:

A policy's longest delegation chain is no greater than those of alternative policies

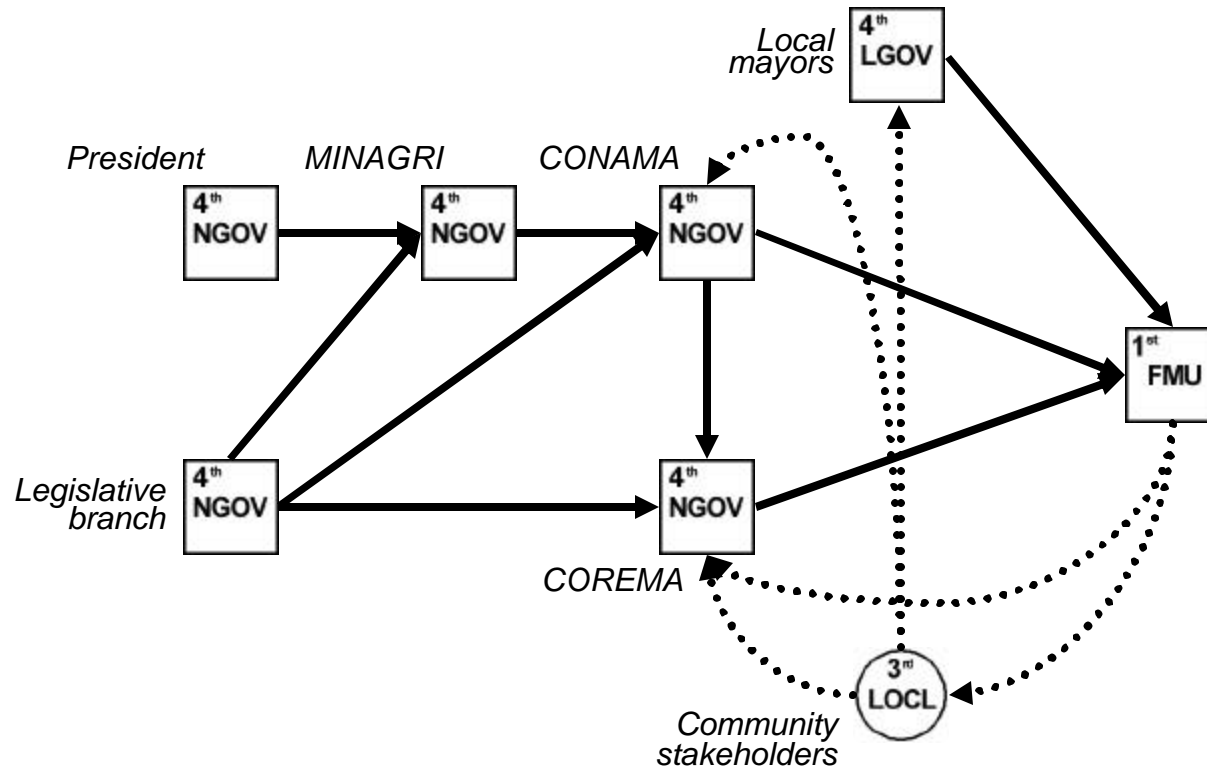
H₄: Parallel complexity:

A policy has no more cases of multiple principals than alternative policies

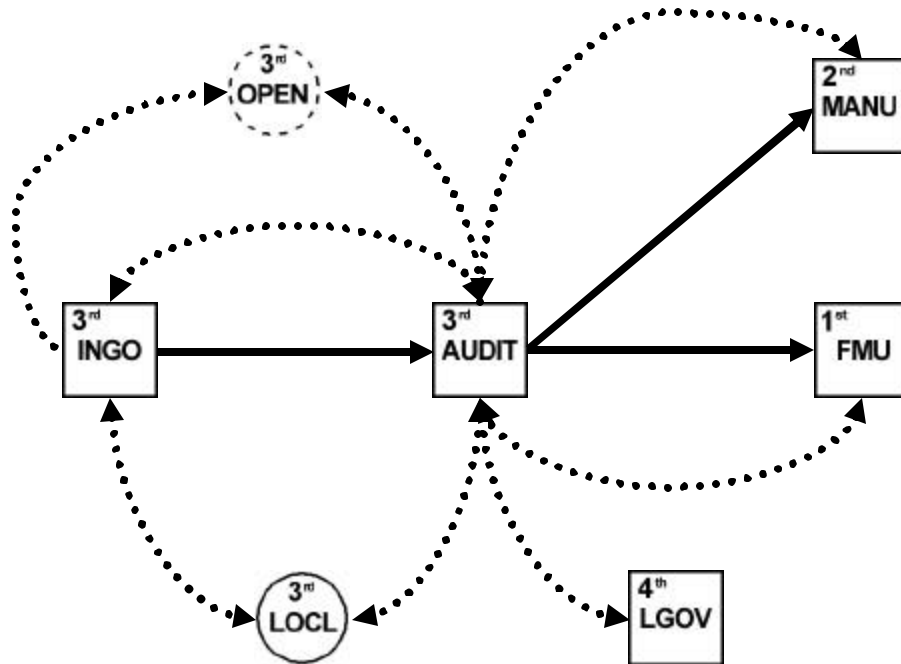
D.L. 701 / 19561



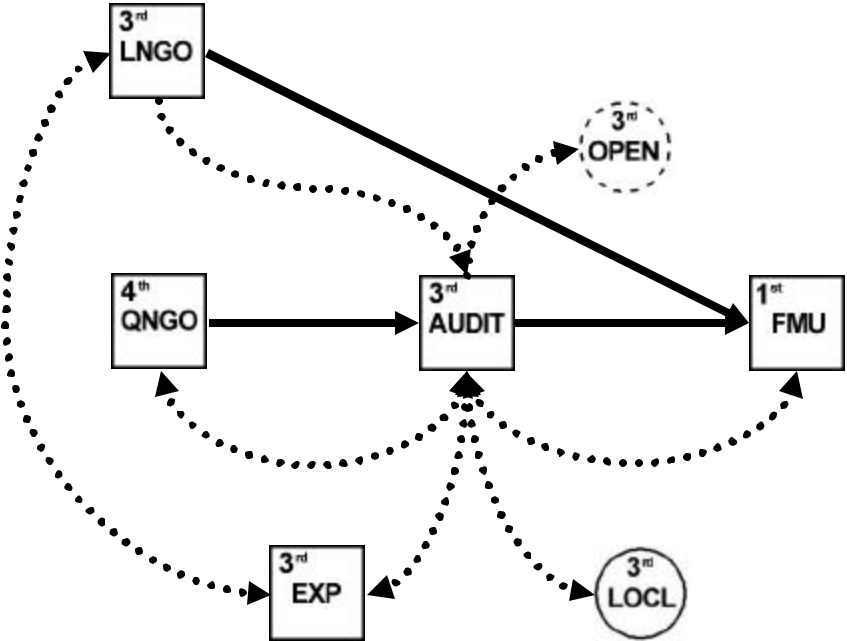
D.L. 19300 / D.S. 30



Forest Stewardship Council



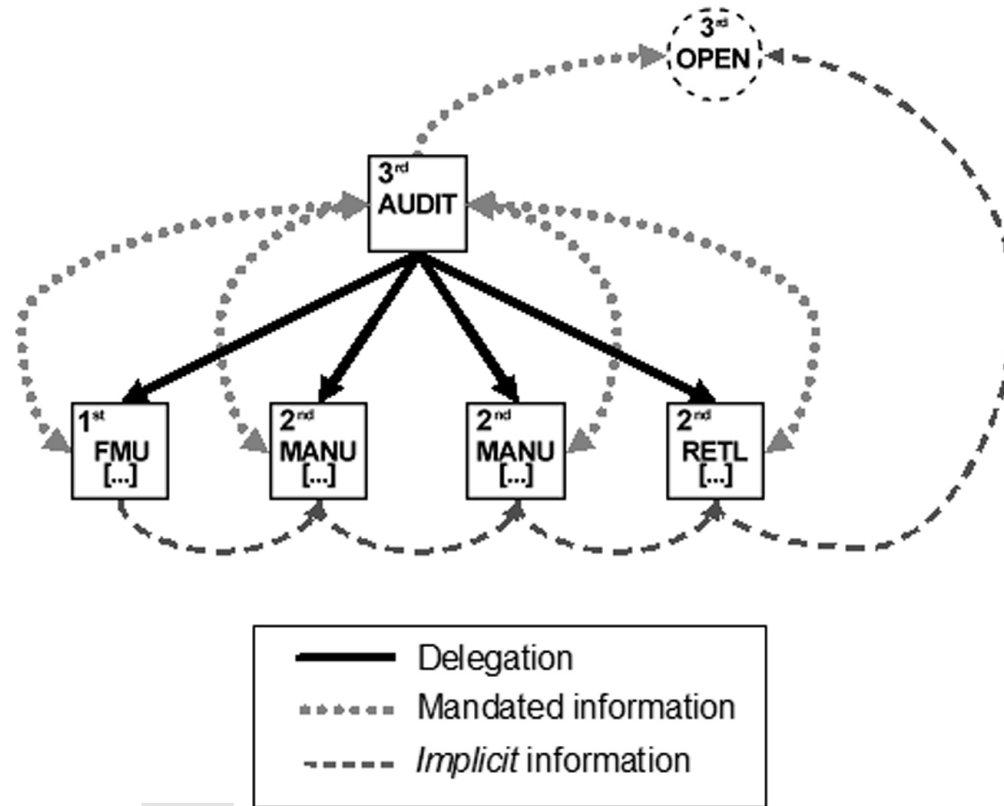
CertFor Chile



Structural complexity

Policy	Sequential	Parallel
DL 701 / 19561	4	6
DL 19300 / DS 30	4	5
<u>All</u> state forestry regulations	4	11
<hr/>		
FSC	2	0
CertFor	3	2

Caveat: the chain-of-custody



Informational hypotheses:

“Hybridized” implementation – where states retain policymaking authority, but may delegate (some) implementation authority to private-sector actors

“Structural distance” will likely limit the functionality of market-driven systems which rely on chain-of-custody instruments

All (implementation) is local?