Regulatory Agencies – the Challenges of Balancing Agency Autonomy and Political Control

TOM CHRISTENSEN

PER LÆGREID

STEIN ROKKAN CENTRE FOR SOCIAL STUDIES

UNIFOB AS

DECEMBER 2004

Working Paper 18 - 2004

Contents

Preface

This paper is written as part of the research project «Regulation, Control and Audit», funded by the Norwegian Research Council. An earlier version of the paper was presented at the 20th Anniversary Conference of the Structure and Organization of Government Research Committee of the International Political Science Association, «Smart Practices Toward Innovation in Public Management». Vancouver, June 15–17, 2004. The paper was also presented at the Scancor Seminar, Stanford University, October 18, 2004. We will like to thank Colin Campbell and the participants at the conference and the workshop for helpful comments. We also thank Beate Erikstad and Synnøve Serigstad who have contributed substantially to the cases presented in the paper.

Per Lægreid
prosjektleder

Abstract

In this paper we focus on the dynamic interplay between increase in autonomy of regulatory agencies and political control of those agencies. The general research issues are the weak empirical foundations of regulatory reforms, the complex trade-off between political control and agency autonomy, the dual process of de-regulation and re-regulation, the problems of role-specialization and co-ordination, and the questions of «smart practice» in regulatory policy and practice. The theoretical basis is agency theories and a broad institutional approach that blend national political strategies, historical–cultural context and external pressures to understand regulatory agencies and regulatory reform. This approach is contrasted with a practitioner model of agencies. Empirically the paper is based on regulatory reform in Norway, giving a brief introduction to the reform and agency context followed by an analysis of the radical regulatory reform policy introduced recently by the current Norwegian government. We illustrate how regulatory reforms and agencies work in practice by focusing on two specific cases.

Sammendrag

I dette notatet fokuserer vi på det dynamiske samspillet mellom økt autonomi for tilsyn og politisk styring av slike forvaltningsorgan. De generelle problemstillingene som tas opp er det svake empiriske fundamente for reguleringsreformer, den komplekse balansen mellom politisk styring og autonomi for tilsynsorganene, den samtidige prosessen av de-regulering og re-regulering, problemet med rollespesialisering og samordning, og spørsmålet om hva seo er en smart praksis når det gjelder reguleringspolicy og praksis. Det teoretiske grunnlaget er «agency teorier» og et bredt institusjonelt perspektiv som kombinerer nasjonale politisek strategier, historisk–kulturelle kontekster og eksternt press for å forstå reguleringsorganer og regulerings-reformer. Denne tilnærmingen blir holdt opp mot en prraktikermodell for regulerings-myndigheter. Empirisk er notatet basert på reguleringsreformer i Norge. Det gis en introduksjon til konteksten knyttet til reformer og direktorater i Norge. Deretter presenteres og analyseres regjeringens nye tilsynspolitikk. Hovedan reguleringsreformen og tilsyn fungerer i praksis blir illustret ved hjelp av to case knyttet til Post- og teletilsynet og reorganiserng av den sentrale forvaltningen for samfunsikkerhet.

Introduction[1]

Regulation and control have a long history in contemporary welfare states. Over time a number of regulatory bodies, broad-ranging in their legal basis, organizational structure and executive practice, have emerged. A broad and comprehensive program of regulatory reform launched internationally in recent years (OECD 1997, 2002a) has affected many countries, like Norway, that do not have a long tradition of pursuing a conscious policy towards regulation and scrutiny bodies. This reform program which intends to foster competition by use of central oversight units independent from regulators has entailed a fundamental review of supervisory agencies. In 2003 the Norwegian government formulated a new regulatory policy aimed at making supervisory bodies stronger and more autonomous and relocating some of them away from the capital. It also sought to clarify the regulatory role and improve horizontal co-ordination (St.meld. no 17 (2002–2003)). One of the chief features of this new policy is the regulation of market actors – whether public service-providers or private actors – but it also has implications for a broad range of regulatory agencies. Such a comprehensive conceptually driven holistic approach will probably be much harder to achieve than a more narrow, pragmatic and project-driven cooperation (Bardach 2004). Whether this new regulatory policy implies innovation and «smart practice» will be discussed (cf. Bardach 1998).

We focus on the dynamic interplay between an increase in autonomy for regulatory agencies and political–administrative control of those agencies. In prescribing both enhanced autonomy and more control and re-regulation, the regulatory reform perpetuates an enduring tension in the history of regulatory governance. On the one hand, the agencies are to gain more autonomy, both from the political leadership and from market actors. On the other hand, central political control is to be enhanced by strengthening frame-steering and regulatory power. Political authorities are to abstain from involvement in individual cases but at the same time to strengthen their role as general regulators through the formulation of laws and rules or by the use of other general control instruments.

In a departure from a view of government as a proactive and planning actor in substantive policy areas, the main premises of the new regulatory regime are a policy of competition and openness to the market. The autonomous agencies are, however, not free in any absolute sense, and it is important to ask what the prioritized of the new regime are. One answer is that it is designed to give leeway and powers of discretion to unbiased professionals with expertise in their field. In practice, however, professional experts might often be politically motivated. We therefore argue that it is important to treat the formulation, adoption and implementation of the new regulatory reforms and policies as political, rather than technical, phenomena.

[1] We wish to thank Colin Campbell and Paul G. Roness for valuable comments on an earlier version of this paper.

Owing to the intensification of the regulatory reform process over the past few years, there is a need for more detailed empirical scrutiny of how reforms are formulated, how they are implemented and what effects and implications they have. While certain effects are expected and often promised, they are seldom reliably documented (Christensen, Lægreid and Wise 2003, Pollitt and Bouckaert 2004). The expectation engendered by the official model (Pollitt et al. 2004) or the «public interest perspective» (James 2003) is that structural devolution and more managerial autonomy combined with performance management will improve performance and efficiency without having negative side-effects on other values like control and democracy. Our argument is that this is a hypothesis, implying a smarter practice, and not an evidence-based fact and therefore needs to be examined through empirical studies.

In contrast to the USA, which has a long and strong tradition of studying regulatory failures and the problem of regulated firms capturing or gaining control over those who regulate them, the study of the regulatory state is an area of research that only has enjoyed a high profile in Europe over the last decade (Majone 1996, Moran 2002). The European integration process, the work of international organizations like the OECD and ongoing reform efforts in the public sector have put new demands on the regulatory bodies.

In the first part of this paper we focus on the weak empirical foundations of regulatory reforms, the complex trade-off between political control and agency autonomy, the dual process of de-regulation and re-regulation, and the problems of role-separation (specialization) and co-ordination as the main research issues. We try to discuss preconditions of smart practice related to the new regulatory policy, and outline different interpretations of this. The second part of the paper outlines the theoretical basis for regulatory reform. We take a look at agency theories and introduce a broad institutional approach that rejects single-factor explanations in favour of a blend of historical–cultural context, national political strategies and external pressures as the key to understanding regulatory agencies and regulatory reform. This approach will be contrasted with a practitioner model of agencies. In the third part of the paper we focus on regulatory reform in Norway, giving a brief introduction to the Norwegian reform and agency context followed by an analysis of the radical regulatory reform policy introduced recently by the current Norwegian government. We then illustrate how regulatory reforms and agencies work in practice by focusing on two specific cases, included a discussion of how smart the new practice might be. We conclude by discussing regulatory reform policy in the light of the theoretical approaches outlined.

The research issues

A central issue in studying reform of regulatory agencies is the tension involved in the dual process of introducing both more autonomy and more political control. On the one hand there is to be more managerial autonomy and discretion and more decentralization, flexibility, deregulation and devolution; on the other hand, central administrative and political control is to be increased through contractual arrangements, performance management, centralization, co-ordination and re-regulation.

Reorganization of public activity in Norway over the last ten years has been characterized by a gradual move away from an integrated to a more fragmented state. Supervisory and regulatory functions are now concentrated in specific administrative bodies, whereas commercial and service tasks have been transferred to specific state-owned companies (Christensen and Lægreid 2003a). At the same time, the regulatory agencies have been under considerable pressure to reorganize. The current Norwegian government aims to increase the autonomy of the regulatory agencies by enhancing their professional independence and by establishing independent appeal boards so as to put them at arm's length from the ministry as well as from regulated interests.

This change from a unified central administration with mixed roles under ministerial rule to a separation of the different functions and tasks and their allocation to more autonomous bodies has yet to be studied systematically. Several of the reforms have *weak empirical foundations* and there is generally little systematic documentation of the effects of such reforms, but some more general studies seem to indicate that public choice-related arguments for increasing political control through devolution and single-purpose organizations are difficult to fulfil in practice (Boston et al. 1996, Pollitt and Bouckaert 2004). The degree to which the goal of independence is fulfilled for the supervisory agencies remains an empirical question. Creating separate, specialized agencies can contribute to a clearer demarcation of responsibilities and roles and greater efficiency and predictablility, but it may also result in increased complexity, problems of co-ordination, higher transaction costs and reduced potential for effective political control and accountability (Christensen and Lægreid 2001). This shows quite clearly that it could be disputed what may actually be smart practice concerning regulatory reform.

One main research question related to this regulatory reform concerns the complex *trade-off between political control and agency autonomy*. How far can one go under the new regulatory regime in increasing an agency's independence without losing political control? Through the process of modernization, attempts have been made to satisfy both demands simultaneously by finding an optimal blend of autonomy and control. The question is how a balance can be achieved in practice and how stable such a balance will be. The political executive, supported by the OECD, would like to decentralize decisions in individual cases; while at the same time striving for stronger central co-ordination of regulatory policy (St.meld. no. 17 (2002–2003), OECD 2003). In this paper we challenge the assumption that such rational choice inspired reforms will enhance political control. Is it possible to accommodate political accountability and control even as professionalization, autonomization, deregulation and market orientation gain momentum (Christensen and Lægreid 2003b)?

Although deregulation constitutes an important component of regulatory reforms, a process of «re-regulation» is also going on, involving new forms of control and supervision (Majone 1996, Vogel 1996). Thus we also face *a complex process of simultaneous deregulation and re-regulation*. An important question is whether these new forms of control are emerging as a supplement to established methods, thereby resulting in increased complexity, or whether they are replacing them; a third possibility is that old and new are merging to form new innovative methods of control and supervision. Furthermore, the task of supervision has undergone a considerable change from the traditional inspector role, focusing on compliance and individual cases, to more complex

performance-based control arrangements and frame regulations (Bleiklie et al. 2003). In contrast to the focus of New Public Management on de-regulation and autonomy, there has been an increase in the intensity, complexity and specialization of regulation in recent decades (Hood et al. 1999). However, the oversight «explosion» varies between countries and policy areas and often assumes new hybrid forms (Hood et al. 2004).

The streamlining of the roles of regulator and controller implies an attempt to isolate and separate these roles from the other roles of the state – i.e., a reflection of increased horizontal specialization following the principle of «single-purpose organizations» (Boston et al. 1996). Thus we also face *the problem of role-specialisation and the challenges of co-ordination*. In contrast to the traditional model of resolving conflicts between roles in a multifunctional state through role integration, the government has now adopted a «role streamlining» approach to the problem. This raises questions of feasibility. How does the dual separation of supervisory and regulatory authorities both from the provider and producer roles fulfilled by state-owned companies, and from the ownership role played by the state, work in practice (Christensen and Lægreid 2003a)?

And important research question, summing up main features of the new regulatory reform in Norway, inspired by NPM and the OECD policy, is what the preconditions are for a smart practice and how such a policy might result in smart practice? The official OECD regulatory model seems to indicate that increased vertical differentiation or structural devolution potentially, implying a hands-off attitude from the political executives, is smart. The same argument is related to increased horizontal differentiation, through non-overlapping roles and functions. But it is interesting that the literature about smart practice, even though sympathetic towards these principles, talks quite a lot about some different features. Bardach (1998 and 2004) is preoccupied with «inter-agency collaborative capacity» and «craftmanship thinking» as a combination of creativity and public spritedness. He sees these features as major preconditions for smart practice. Barzelay (2004) stresses the vertical integrative efforts, joined-up government, and hands-on attitudes of political and administrative leaders as supporting successful innovation. As will be shown through the two case studies, the new Norwegian regulatory practice is actually combining old and new regulatory policy and we will analyze whether this hybrid in fact produces smarter practice than sticking to one or the other in pure form.

The theoretical basis

This section starts by describing the different academic agency theories. It goes on to outline our own approach and finally presents the official practitioner model of regulatory agencies. Regulation can be understood as a specific type of public activity with its normative foundations in law and legislative procedures. Control over what or who is subject to regulation is exercised by various administrative bodies and civil servants. This implies that studies of regulation may be regarded as part of general administrative research. Like the public administration in general, regulatory agencies are part of the democratic polity. They have defined goals, are linked to various administrative fields, have their own historical constraints and have developed various

practices in dealing with clients and superior political executives. Generally, regulatory agencies have a dual purpose: securing certain socially desirable values and assets, while protecting law-abiding subordinate actors from dishonest conduct and competition by others.

Agency theories. By agencies we mean organizations whose status is defined in public law and whose functions are disaggregated from the ministry. Agencies have some autonomy from the ministry but are not fully independent, since the ministry has the power to alter the budgets and main goals of the agency (Pollitt and Talbot 2004, Pollitt et al. 2004). Normally commercial corporations are not included in the agency concept. Regulatory agencies are a special type of agency, but it is easier to describe their similarities to other agencies than their differences, since regulatory functions are often integrated into or related to other functions, even in those regulatory bodies said to have a mainly regulatory role. We use the more general agency theories to analyze regulatory agencies.

There is a growing literature on agencification. Talbot (2004) has identified three central features of agencies. First, structural disaggregation brought about by the creation of single-purpose organizations; second, performance management conducted by specifying contracts and performance targets, monitoring, reporting and assessment; and third, deregulation attained by delegating control over personnel, finance and other managerial tasks. This research field is, however, characterized by weak theoretical development, an absence of comparative data and analysis, and few empirically tested hypotheses (Bouckaert and Peters 2004).

Three of the main questions addressed in the agency literature are (Pollitt et al. 2004): Why has the agency form become so popular over the past 15 years? How can agencies be steered and controlled by their parent ministries? Under what conditions do agencies perform well? To answer these questions one can use three different groups of theories (Pollitt 2004, Pollitt et al. 2004). The first group, which includes the rational choice and principal-agent models, can be broadly termed economic approaches (Dunleavy 1991, James 2003, Molander et al. 2002). These theories argue that agencies are chosen because they are more efficient than other organizational forms in central government. Their prescription for controlling agencies and smart practice is to design well-functioning contracts. According to these theories, performance depends on how easy it is to monitor agencies and to what degree the agencies' interests differ from those of the ministries.

The second group of theories, which entail a more conventional and broader organizational research approach, seek to identify factors to explain the creation, maintenance, activities and performance of agencies. These factors range from structural instrumental features and deliberative political choice by political and administrative executives, to historical–institutional context, polity features, socio-economic forces and external pressure from the technical environment (Christensen and Lægreid 2003b, Pollitt and Bouckaert 2004). Build in here is also a negotiation perspective, suggested by Cyert and March (1963) and March and Olsen (1983), stressing that public decision-making processes might result from negotiations and compromises between actors with different interests. A main lesson from this approach is that no single factor can explain the existence, steering and performance of agencies. The complexity of the context

matters, task-specific factors are important and much of what happens is the result of a blend of external pressure, path dependencies and choice (Olsen 1992).

The third group of theories – which might be labelled the interpretative or socially constructive approach – is represented by the neo-institutionalist school, which focuses on how organizational forms may spread via the mechanisms of imitation, fashion and translation (Powell and DiMaggio 1991, Meyer and Rowan 1977). Rhetoric and symbols are central features here. This approach, however, has more to say more about the emergence, existence and popularity of agencies than about their performance or how they are steered.

Our approach follows Pollitt et al. (2004) and is a combination of conventional organizational research and neo-institutionalism, in a broad institutional perspective (Christensen and Lægreid 2001). According to this approach, changes and reforms are both encouraged and discouraged by institutions (March and Olsen 1989, Brunsson and Olsen 1993). There is an interplay between institutional and historical links, conscious and planned reform initiatives, and adjustment to external forces. Three dimensions are essential in this approach. First, the logic of appropriateness is a dominant logic of action. Second, goal formulation is often an endogenous process. Third, history is not efficient, and path-dependency and traditions may prevent or modify reform efforts (March and Olsen 1989). We ask whether there is a specifically Norwegian style of regulation, to what degree there has been an incremental adaptation to the market and competition perspective espoused by many international organizations, or whether there is cultural collusion. The new international regulatory orthodoxy, enhanced by the emerging universalistic reform model, will be examined and interpreted in terms of context. Both the historical–institutional context of national style of governance and individual institutional regulatory styles, based on specific identities, histories and dynamics, will be studied (Olsen 1997). The challenge is to describe and provide a better understanding of the dynamic balance between the institutional spheres of the market, professional expertise, autonomous agencies and representative democratic bodies in the field of regulatory reform.

We operate with an extended effect concept, which not only focuses on internal administrative effects but also includes external political effects (Olsen 1996). Regulatory agencies must enjoy the confidence of both those they control and those on behalf of whom they exercise control – the political executive. This implies that regulation, control and supervision will be studied in a wider democratic context. A substantial democratic dilemma is how regulatory agencies are to gain enough autonomy to function efficiently, but not so much freedom as to make them politically uncontrollable. Does it create smart practice to chose one or the other, or a combination of the features?

In contrast to this broad institutional approach to regulatory agencies, the «official model» is much more one-sided and we now turn to this model by focusing on the OECD approach to regulatory reforms.

The practitioner model. In 1997 the OECD launched its Regulatory Reform Program (OECD 1997). Five years later Norway was assessed as country number 17 in row in order to reform regulations to foster competition, innovation, economic growth and important social objectives (OECD 2003). The OECD acknowledged that the

Nordic incremental, consensus-oriented model of governance, emphasizing egalitarian values, a high level of mutual trust, solidarity, high standards of social welfare, an active intervening state, broad participation from affected interests and a large public sector, had been successful. Norway is one of the world's wealthiest countries, its economy is well managed, the system of governance influences priorities, and a core policy goal is to maintain a dispersed settlement pattern.

In spite of this success and the fact that Norway still performs very well today, the OECD report suggested that Norway should abandon this governance model and «prepare for the future now». The problems are not present today but will come in the future. It was more or less taken for granted that the integrated, reactive, ad hoc and piecemeal approach, which balances different values and goals, should be replaced by comprehensive, proactive and systematic regulatory reforms. Without any deep analysis, it was suggested that the well-functioning Norwegian model should be replaced by the new OECD orthodoxy, indicating a smarter practice. The new recipe is to separate the regulatory role of the state from its roles as owner, policy-maker and commercial actor, to upgrade competition policy to make it the main goal, to deregulate and liberalize state monopolies, to reduce state ownership, commercialize public services, and improve the performance, efficiency and effectiveness of public spending. Competitive neutrality is essential, the commitment to competition should be more wholehearted, and the government should retain less public control in the liberalization process. What was not discussed was that such a change might well be at odds with traditional state norms and values and cause increased conflicts in society, thus reducing efficiency and effectiveness and potentially reducing smart practice.

The recommendation was to separate the regulatory function from the commercial one and to reduce the potential for ministerial intervention by making agencies more autonomous and professional. Consensus-based decision-making should be replaced by evidence-based decision-making. Political intervention in particular decisions should be replaced by the establishment of expert-based appeal bodies outside the political system. With the exception of the Norwegian Ministry of Trade and Industry, the ministries were criticized for lacking a business perspective; it was thus argued that responsibility for state owned companies should be transferred away from their sector ministries, and performance contracts and privatization should be introduced more broadly.

The regulatory agencies in Norway seem to have developed without experiencing any major crisis; they cope well with technical tasks and have demonstrated good regulatory practice and a capacity for adaptation. In spite of this positive assessment, the OECD criticized the regulatory reforms for being partial and piecemeal, and the policy recommendation was to strengthen the independence and authority of the regulatory agencies by reducing the opportunities for appealing decisions to the minister and the ministry's scope for instructing the agencies. Further recommendations were to clarify the institutional framework and functional responsibility by formulating clear and unambiguous goals for the independent supervisory agencies; to improve co-ordination among the regulators; and to strengthen the framework for accountability and improve monitoring of the agencies' performance.

The official raison d'être for autonomous agencies is that structural separation, more managerial autonomy and managerial accountability for results will improve per-

formance (James 2003, OECD 2002a, Pollitt et al. 2004). In practice, however, this has not been proved as a general finding. The regulatory reform model advocated by the OECD seems to be driven more by ideology than by evidence-based facts (Olsen 2004). It would be fair to say that the official model is more a special case that seems to work pretty well under specific conditions—namely, in situations with low political salience, where results and activities are easy to observe, when the tasks do not involve complex technology, when the risk is relatively low, when the financial resources involved are fairly modest, and when the policy does not involve redistribution issues. When these preconditions are not fulfilled, however, it tends to run into trouble (Pollitt 2003a). Other important factors are the degree of competition and the extent to which international markets, rules and regulations are involved. The lesson is that context matters and that there is no best way of governing agencies. In this perspective smart practice will be context-dependent. Neither the organizational structure, nor the daily practical work, nor the steering of agencies is standardised.

The case of Norway

The Norwegian context of administrative reforms and agencies

The question of whether to organize agencies connected to the Norwegian ministries, and particularly their organizational affiliation, status and role have been important issues for nearly 180 years (Christensen 2003). Norway's first constitution of 1814 introduced hierarchically organized ministries and marked the beginning of a period known as «the civil servants' state». By the 1830s professional groups, such as engineers, doctors and military leaders, were mounting their first attacks on the dominance of the jurists in the integrated and hierarchical state (Christensen and Roness 1999). Around 1850 they succeeded in pushing through their demands for independent professional bodies outside the ministries and the first agencies were established, primarily in the communications sector. This first wave of agencies was followed by a second one in the 1880s. This established the independent agency type, imitated from Sweden, which has been the dominant one in Norway ever since.

In the mid-1950s the government stated a new principle for agency structure and increased the number of independent agencies. The background to this was that the ministers needed to delegate some of their functions and tasks in order to gain more capacity for strategic thinking (Grønlie and Nagel 1998). The doctrine recommended the same organizational solution that the professional groups had supported since the 1830s, but the argument was now that it enhanced political control, whereas previously it had been quite the opposite. The idea was that more technical issues and routine functions should be moved to the agencies, while policy and planning tasks should stay with the ministries. The new doctrine resulted in the establishment of several new agencies over the next 15 years, but this development slowed down in the 1970s, partly for political reasons (Grønlie 1999).

The dominant agency model in Norway has historically been rather unified, with little horizontal specialization. In most agencies administrative functions, regulatory and control functions and service-production functions have been combined and integrated. Traditionally Norway has not had any type of administrative court. Appeals are directed to the ministry, which can also instruct the agencies. It is a rather new idea that there ought to be different types of agencies, even if some of the agencies have had extended autonomy for some time, mainly in budgetary and personnel matters but also in some more substantive areas (Lægreid et al. 2003, Statskonsult 2004).

Over the past 15 years, partly inspired by NPM, but also as part of Norway's adaptation to the EU and the internal market, a process of structural devolution has been going on in the Norwegian central public administration in Norway, and the agency model has become more differentiated (Christensen and Lægreid 2003b). This combines *vertical inter-organizational* specialization, whereby agencies formally are getting more authority, with increased *horizontal inter-organizational spesialization*, whereby roles and functions among agencies are more differentiated and non-overlapping.

Up until the mid-1990s major public sectors like railways, telecommunications, power, postal services, forestry, grain sales, airport administration, road construction and public broadcasting, were organized as integrated government services, whereby the state held the roles of owner, provider, purchaser, regulator and controller. Since then, the commercial parts of these enterprises have become corporate, while the regulatory parts have been streamlined into separate agencies, creating a much more fragmented and disintegrated model.

In 1999 there were 193 central administrative bodies in Norway; two years later this number had decreased to 169. Certain bodies were merged and reorganized, with some of them becoming state-owned companies. Sixty of these bodies are now typical agencies: 25 are mainly regulatory agencies, while 11 have regulatory functions together with other tasks. Over time an increasing proportion of agencies have been allocated regulation and scrutiny as their primary task in addition to other, secondary tasks (Rubecksen 2003).

The developmental significance of this reorganization is related to several factors. First, this shows the development from an integrated state model, where many functions are handled in the ministries or in agencies under tight control by the ministries, to a management-inspired model where agencies are more autonomous and loosely coupled to the ministries. Second, the ministries ability to control the agencies is thereby weakened, political signals are less significant to the agencies, and it's more difficult for the political executives to get information from the agencies (Christensen and Lægreid 2001). This is potentially problematic in a system where structural devolution is combined with no change in principle of ministerial responsibility towards the parliament. Third, the potential for increasing problems of capacity and coordination was evident.

Summing up, agencies have been a major organizational form in the Norwegian central government for a long time and have displayed a lot of path-dependency. This situation was the result of a long historical conflict between the political executive and professional groups. After the NPM-movement gained pace internationally from the early 1980s, Norway became a reluctant reformer (Olsen 1996). Since the mid-1990s

NPM has gained a stronger footing in Norway, and reforms have become increasingly comprehensive and radical in recent years (Christensen and Lægreid 2002). The introduction of Management by Objectives and Results (MBOR), private sector management tools, changes in forms of affiliation from integrated ministerial models to single-purpose models, increased agencification and the establishment of autonomous supervisory bodies have been the result. We will now explore more fully the arguments for adapting some of the main elements from the OECD practitioner model and see how they are working in the Norwegian context, i.e. whether the preconditions for smart practice is clearly defined and whether this new policy produce smart practice in reality.

Recent regulatory policy in Norway: A fundamental review of regulatory agencies

Under the current government in Norway, which came to power in 2001 and is headed by a Centre-Conservative minority cabinet, the whole basis of the agency structure, particularly the regulatory agencies, has been discussed several times. Several changes have been implemented, but it remains to be seen whether this will add up to a fundamental revision of the system. The central actors in this process have been Statskonsult, the agency for governmental administrative development, and the Ministry of Labour and Government Administration. In the following some central documents in the new trend towards more agencyfication or autonomization will be discussed. As will be seen, some main arguments from the OECD practitioner model are used, demonstrating the element of imitation in this process.

The preparatory reports. In 2002 Statskonsult issued three reports about the structure of the central political–administrative system in Norway (Statskonsult 2002a, 2002b, 2002c). These reports formed part of a new set of arguments about the disintegration of the centralized state, i.e., they showed ongoing trends but also provided normative guidelines for future policy.

The first report argued that the ministries ought to expand their role as a «secretariat for the political leadership», implying more vertical specialization (Statskonsult 2002a). The idea was to give the ministries a more one-dimensional role – as policy-makers and developers. As such they would have to «purchase» advice and analyses from the agencies or other sources and also leave implementation to the agencies. The time had come, the report argued, to delegate more tasks to the agencies, which should have the freedom and autonomy to use their professional knowledge without instruction from of the cabinet and individual ministers. The report did not say much about why professional autonomy should be of particular importance in the regulatory agencies or what the implications of such changes might be. This failure to engage in strong means-end thinking showing a feature that is also typical of the process further down the line.

The second report recommended a more thorough discussion of how to make the regulatory agencies less subject to instructions from the minister (Statskonsult 2002b). It saw as particularly crucial the attainment of less ambiguous principles concerning the

degree of freedom different functions should have. A further subject of discussion advocated was whether a new type of independent professional regulatory agency for controlling the implementation of regulations should be established. It was argued that MBOR and the «steering dialogue» between the ministries and agencies were excessively determined by situational factors and should be more strategic and long-term. It was also recommended that the status of the purchaser-provider model as an instrument governing relations between ministries and agencies should be clarified.

The third report on regulatory agencies and supervisory functions advocated giving regulatory agencies a single role (Statskonsult 2002c). It argued that the regulatory function should not be combined with other tasks, the regulatory agency should not have contradictory goals, and it should be given more autonomy from the respective ministry. This development is said to be a widespread institutional standard in the OECD and EU area and is connected to the liberalization of public sectors formerly dominated by monopolies.

The report stated that regulatory agencies should be organized according to how much autonomy the agencies have from the ministries and whether the agencies have one or more functions or tasks. At one extreme are the agencies that are multi-functional and close to the ministry, a reflection of the traditional Norwegian model; at the other extreme are agencies with much autonomy and only regulatory or supervisory functions, a model that the current Centre-Conservative government obviously favours.

The report advocated a greater separation of political and administrative functions, arguing that political intervention in individual cases might decrease public trust in government. Another argument was that there may be tension between the goals of the agencies and the ministries, implying that keeping many contradictory goals and functions in a ministry could influence in a negative way the ministry's control of the agencies. A third argument was that more autonomy would bring about a less ambiguous, more efficient and more appropriate division of labour between ministries and regulatory agencies.

It was argued that merging some agencies could produce synergy effects since some of the agencies are too small. The report advocated regulatory agencies with cross-sectoral domains of responsibility, a view that was somewhat at odds with the opinion of the political leadership (Hommen 2003a). It was proposed that regulatory agencies should be separated organizationally from the ownership function, sectoral policy, service production and specific guidance, meaning that regulatory agencies should be moved to other ministries. Supervisory competence was to be attained by having more cross-sectoral regulatory agencies.

The White Paper. In January 2003 the current Centre-Right minority government put forward a White Paper to the parliament (St.meld nr. 17 – (2002–2003)), proposing changes in regulatory agencies. The White Paper was partly based on the reports from Statskonsult but mainly on the political priorities of the cabinet, particularly those of the minister for government administration. Both the OECD's regulatory program and the European Economic Area Agreement, which gives Norway access to the EU internal market, affected the content of this report. So the imitation of an international standard for organizing regulatory agencies was rather evident.

The White Paper aimed to change the reform process from ad hoc and piecemeal changes in individual agencies to an overarching and comprehensive regulatory policy. It also upgraded competition policy to a main issue for regulatory policy. The paper stated that more use of markets and decentralized models of steering and control, seen as a good thing in themselves, should be supplemented with and counterbalanced by stronger regulatory activities on behalf of collective interests. The report aimed to explore both the vertical issue of whether regulatory agencies had an appropriate degree of constraints and autonomy and, more specifically, the question of the division of functions and tasks among the ministries, agencies and regulatory agencies. As far as horizontal specialization is concerned, the report focused on the division of functions and tasks among the regulatory agencies.

The government formulated four ideals or goals concerning the organization and functioning of regulatory activities. The first was that, since combining administrative, service-producing and regulatory activities was seen as undesirable, regulatory agencies should have unambiguous roles, thus breaking with the Norwegian tradition of integrating different roles and functions. This is an argument for more horizontal specialization in the form of non-overlapping roles, as in the principle of «single-purpose organizations» in New Zealand (Boston et al. 1996). A main objective was to provide more clarity in the horizontal design of regulatory agencies. The second ideal, which followed from the first one, was that each regulatory agency should have unambiguous and non-contradictory collective goals, and that different agencies should not work towards the same goals.

Third, regulatory agencies should increase their independence from the ministries. Political and professional considerations and premises should be more clearly defined, and the way they are to be balanced made more explicit. Political considerations should be confined primarily to setting general norms via laws and rules; but executive politicians should leave individual cases to be handled by competent professionals in the regulatory agencies, albeit while maintaining political control. The regulatory agencies were to be endowed with legitimacy by removing the ambiguity inherent in mixing political and professional considerations and by making the balance between them more explicit. It was also stressed that the independence of regulatory agencies could be ensured by moving them to another ministry, i.e., de-coupling regulatory activities from sectoral considerations and pressure. The fourth goal was to strengthen the professional competence of the regulatory agencies.

The specific proposals based on these goals affected the regulatory agencies in several ways. First of all, it was proposed to establish some new agencies, some of them sectoral, others cross-sectoral, some based on a purpose principle, others on functions. Thus, the government did not confine itself to a single form of horizontal organisation. Moreover, some of the new agencies were the result of mergers—suggesting less rather than more horizontal specialization. Second, changes in the law were proposed to limit the opportunities for ministers to instruct the agencies in the handling of individual cases. The idea was to direct ministerial responsibility more towards broader policy questions and major decisions involving important underlying principles. In addition, changes in this restriction would now require the approval of the cabinet as a whole,

rather than of just a single minister, making the threshold for political intervention higher.

Third, it was proposed to change the complaints procedure in several agencies by establishing independent bodies of appeal. Only in cases indicated by specific important considerations would the law allow the cabinet to overturn a decision of the supervisory agencies, thus ensuring that the independence of the agencies was not undermined. Fourth, it was proposed to move seven regulatory agencies out of Oslo. It was argued that relocation would reduce political control and remove the agencies from the influence of other actors, such as other relevant agencies, other central administrative actors, interest groups and ad hoc groups. This proposal was inspired by the capture literature (Majone 1996) – re-location being an attempt to reduce the capture of regulatory agencies by regulated interests as well as by politicians.

The government proposals generally point in the direction of a disintegrated state brought about by a combination of increased vertical specialization – more independent regulatory agencies and independent appeal boards – and increased horizontal specialization – the establishment of more specialized agencies and less overlap between them. What is striking about the White Paper and the proposals is that political steering and democratic control are hardly mentioned, indicating a heavy bias towards the NPM-oriented «supermarket state» rather than the centralized, hierarchical state (Olsen 1988). The need to strengthen the framework for accountability is not addressed either. Establishing independent bodies over which political control would not be particularly strong may well raise legitimacy concerns connected with accountability, but such challenges are not discussed. The impression is that political control and influence from above, whether from the parliament or from executive politicians, is inappropriate and should therefore be undermined. In this respect the report is in tune with the anti-political sentiments expressed in NPM (Self 2000). Although the report acknowledges that differentiating between political and professional decision-making premises might be difficult, it goes on to address this question *as if* it were easy. The proposal to limit control of agencies by executive politicians is treated as a bureaucratic-judicial issue. The new proposed structures, be they more independent agencies or appeal boards, are not analyzed in terms of the consequences for political control. No attention is paid either to the complexity implied by these proposals, such as the increased need for co-ordination or the challenges and potential ambiguities resulting from moving regulatory agencies away from the sector ministries.

Another important feature of the report is its strong emphasis on the need for professional autonomy in regulatory agencies. However, there is little discussion of why this consideration should carry more weight than political–democratic considerations. The experience of other countries, such as the US, which has shown that independent regulatory agencies do not just secure professional autonomy but can also result in capture of a different type as well as the politicization of professions (Mitnick 1980), is barely mentioned in the report. Without engaging in any very profound analysis, the report argues that the legitimacy of decisions made by regulatory agencies is based primarily on professional competence and autonomy, much more so than on the control of executive politicians.

The parliamentary debate. The White Paper was controversial in its making and there were conflicts between the Ministry of Labour and Government Administration and other ministries and the affected agencies before it was issued. The main focus of the conflict and public debate was the relocation issue, which diverted attention from the question of political control and agency autonomy. The first phase after the report became public was marked by intense lobbying, leaks from agencies and ministries, open hearings in parliament, debates in party conferences and strong media coverage. There was strong lobbying from the affected agencies, the unions and the cities where the agencies were supposed to be relocated as well as from Oslo. Most of the political parties were split over the relocation issue. The government report resulted in a tug of war between some major parties in parliament and was eventually modified concerning the question of political control (Hommen 2003a).

The passage of the proposal through parliament had certain striking features (Hommen 2003a). First, the part of the proposal that had been most controversial during the public debate, namely the relocation of several regulatory agencies, gave rise to little debate or tension. The minister obviously knew that cutting across geographical alliances would secure a majority for this proposal, and this indeed proved to be the case. The right-wing Progressive Party was against most of the proposals, but had difficulty finding allies. The Labour Party and the Socialist Left Party could have joined this resistance, but they were ridden by internal disagreement and were also facing local elections, so they went along with the majority. While the minister argued for relocation to reduce the problem of regulatory capture, the parliamentarians regarded it primarily as a regional policy issue.

Second, when the proposal was addressed in the relevant standing committee in May 2003, it was obvious that the Labour Party and the Socialist Left Party had the key (supporting relocation) to the solution of the question of more independent regulatory agencies. The focus now moved from the relocation issue to the independence issue and confrontation was replaced by bargaining. After some bickering the governmental parties struck a deal with the two opposition parties, modifying their proposal on this point. The part of the proposal stipulating that independent appeal boards should handle complaints or appeals was withdrawn and postponed until the next election period. This was seen as important by the opponents, since keeping the handling of the appeals in the ministries is an important part of political control.

The other part of the deal was more ambiguous. It was decided that the proposal to restrict the power of the executive political leaders to instruct the agencies should be handled case by case, not as a general principle. This was nonetheless seen by the minister as a breakthrough for the new principle of reduced ministerial instruction, since he gained support for some specific proposals. The opposition, on the other hand, tried to give the impression that this would lead to very little change in overall political control and was purely of symbolic importance, since ministers seldom use their right to instruct. The agreement states that the minister can intervene in important cases and that he/she can instruct the regulatory agencies to handle specific cases, implying business as usual. For the Labour Party it was important not to reduce the opportunities for political control, while for the minister it was significant that agency independence

had been underlined. The compromise was ambiguous and open to both interpretations.

Summing up, there was a trade-off between relocation of agencies and greater independence. The government received support for the relocation of seven agencies, but the price it had to pay was a modification of the autonomy-oriented reform. The conflicts over regulatory policy reflect a traditional cleavage in the Norwegian administrative policy debate about how to balance political control and agency autonomy that goes back 150 years. However, this is not the last word on administrative reform and there may well be a replay on the autonomy issue when the government proposes reforms of individual agencies or when there is a change of government.

Regulatory reform processes and regulatory agencies in practice.

It is important to distinguish between regulatory policies on the one hand and specific reform processes and the daily practice of regulatory agencies on the other hand. The regulatory policy the political executive recently have tried to further in Norway very much attend to the OECD official model in stressing that the preconditions for smart practice is structural devolution and horizontal specialization, but we have shown that the decided policy more is a hybrid where these features are important, but not totally dominant. We will now illustrate the variety of reform processes and agency practice by focusing on two cases. The first is connected with the reorganization of internal security, focusing on horizontal coordination. It exemplifies the loose coupling between regulatory policy programs and reform processes. The second is the Teletopia case, focusing on vertical coordination. It demonstrates how regulatory agencies work in practice and the practical problems of balancing autonomy and control on a day-to-day basis. The cases both illustrate the different interpretations of smart practice.

The organization of internal security. Parallel to the formulation of the comprehensive governmental program of regulatory policy, a reorganization of the central apparatus for internal security was taking place. The government launched this process in 1999 by appointing a public commission to assess the vulnerability of Norwegian society. The commission's report was submitted to the Ministry of Justice in 2000 (NOU 2000:24). One of the commission's main proposals was to improve vertical and horizontal co-ordination in the security administration by establishing a new special ministry of internal security. These recommendations were, however, not approved by the government in the White Paper presented to parliament in 2002 (St.meld. no 17 (2001–2002)). Somewhat surprisingly, the process resulted in only minor changes in the security administration (Lægreid and Serigstad 2004, Serigstad 2003). An important finding is that this relatively comprehensive reorganization process yielded only minor changes in the status quo, despite the fact that the Vulnerability Commission had recommended radical organizational changes. Ultimately a hierarchical model of this kind proved to be too radical for the ministries involved, and the Bondevik II government opposed the idea of a special ministry of internal security in favour of an upgrading and strengthening of the agencies in the field, achieved partly through

mergers and partly by establishing more semi-autonomous agencies. However, no separate appeal boards or specific limitations on instructions from the ministries were introduced. The case illustrates how difficult it is to move responsibility for an agency from one ministry to another. The Ministry of Justice received approval for its traditional view of how to organize the field, and so did the Ministry of Defence. In contrast to the major dispute that took place over the organizational model, there was overall agreement about what the problems were in the field of internal security. Most of the bodies and actors involved acknowledged the problems of fragmentation, weak co-ordination and low priority assigned to internal security, but no agreement on a radical organizational solution was possible. This may show how difficult it is to further smart practice through inter-agency coordination (cf. Bardach 1998), something that Kettl's (2004) analysis of 9/11 and organizing for homeland security shows. Historically in Norway, it was also evident that separate organizations for internal security, attending to different aspects of the policy, also have had advantages (cf. Landau 1969).

All in all the process revealed a conflict over how to define internal security, showing Bardach's (2004) main point that «conceptually-driven cooperation» is hard to achieve. Should internal security be regarded primarily as a defence matter or should be treated as an aspect of civil society and therefore be assigned to the Ministry of Justice? Should it be regarded as just one of many spheres covered by general regulatory policy or rather as a special field with its own particular problems and challenges? Clearly the definition of internal security also had implications for identifying the main problems, finding appropriate solutions and identifying legitimate actors and participants. Opinion here was divided between institutions rather than cutting across them. Disagreement between the justice and defence sectors over how to define safety, security and being prepared, and where to place responsibility for them, became most pronounced during the governmental process and in the parliamentary reading.

The analysis of the process shows the relevance of a broad institutional perspective. As the process went on, the rational approach gradually gave way to a negotiation perspective. In contrast to what an instrumental model might have predicted, the goals became ambiguous and subject to change and there was a loose coupling between the general regulatory program and the specific reorganization process, and between different phases of the process. The solutions offered by different actors and the conflict between different parties can be construed primarily in terms of organisational affiliation and sector interests. Somewhat surprisingly the increasing pressure from the environment in the post 9/11 period had little effect on the reorganization process.

In addition, local rationality and efforts to defend path-dependent institutional identity and ensure institutional survival as well as cultural collusion between the civilian and military administrations explain important aspects of the reorganization process. One important characteristic of the process was that the defence sector was opposed to co-ordination. While almost everyone agreed that co-ordination was of utmost importance and that improvements were necessary, none of the actors ultimately wanted to engage in co-ordination. The process can thus be said to be characterized by *negative co-ordination* (Mayntz and Sharpf 1975), where the wish to co-ordinate was greater than the willingness to engage in it.

Summing up, this process is an interesting documentation of the parallel processes of robustness and flexibility, which cannot easily be explained in terms of a single factor or as a simple adaptation of the comprehensive regulatory program. Our analysis reveals a process of bureaucratic politics but also a strong component of institutional constraints based on path-dependency, institutional identity and historical inefficiency. The case illustrates that strong sectoral ministries make it difficult for the cabinet and the Ministry of Government Administration to implement a comprehensive regulatory policy program. There is no quick and easy adaptation to new regulatory policy signals from the executives, and the process can thus best be understood from a broad institutional perspective – as a blend of actor-specific interests, institutional identities and traditions, as well as instrumental choices made by political–administrative leaders. Whether it would have implied a smarter practice to establish a broad ministry or merged agency of internal security is, however, an open question. It could be argued that keeping a modified organization for internal security gives flexibility and make it possible to attend to many considerations at the same time, giving the solution a high legitimacy.

The Teletopia case.[2] The Norwegian Post and Telecommunications Authority (NPTA) was established in 1987 as a result of the liberalization of the telecommunications sector. Its rationale was a perceived need to divide the regulatory and service-providing roles. The role of NPTA, which is primarily financed by governmental dues and fees, was to take responsibility for the control and scrutiny functions in the telecommunications and postal sectors. It was organized as a body subordinate to the Ministry of Transport and Communications but with some degree of independence: the power to take decisions on individual cases was delegated to NPTA and a clause in the law on telecommunications restricted the ministry's power to issue instructions to the agency. The agency gradually developed a sceptical attitude towards Telenor, the former dominant public tele-communications monopoly, which was turned into a state-owned company and then partially privatized in 2001. The reason for this was that Telenor was seen as the main roadblock to increased and free competition in the telecommunications sector, and hence as undermining the interests of consumers.

The background to the Teletopia case was that several small firms had for a long time been trying, largely unsuccessfully, to sell services by connecting to the Telenor network. In 2001 NPTA decided that Telenor should give Teletopia, a small private firm, access to its cell-phone network for providing SMS messages. Telenor appealed to the ministry to reverse the decision but it was upheld. The issue was now to decide on the conditions of access. As Telenor and Teletopia were unable to reach agreement, NPTA acted as a mediator. After a lot of bickering, information and arguments from the two parties, NPTA ruled on the case in 2003, deciding which price model should be used and that Telenor should not be compensated over and above the actual access costs. An exact access price to be paid by Teletopia to Telenor per SMS message was set, albeit one much lower than Telenor had demanded.

[2] The data used here is collected by a graduate student, Beate Erikstad, Department of Political Science, University of Oslo, who is writing on a thesis about the regulatory activities of NPTA.

Telenor criticized the NPTA's decision, on the grounds of wrong assessment of the cost question. It lodged a formal and comprehensive appeal with the Council for Telecommunications Administration. The council upheld the decision, but Telenor also appealed to the ministry, a legitimate move in cases concerning wider principles. The ministry eventually ruled that another pricing model, closer to what Telenor wanted, should be used. NPTA was very critical of this decision and thought it was wrong.

An analysis of this case may take as a point of departure the complexity of both the political–administrative apparatus and the handling of the case. To start with, NPTA is an example of a cross-sectoral regulatory agency, created as a result of the idea that there should be more competition in service-providing markets. It is thus a hybrid organization, a feature that may complicate the handling of certain cases. Second, the telecommunications sector is said to combine deregulation and re-regulation; the latter implying the existence of clear laws and rules for handling cases. In reality, however, the Teletopia case shows that the system is open to interpretation, particularly in complicated cases. Hence the negotiation approach was adopted by both NPTA and the ministry. Third, path-dependency clearly has a major role to play in cases like this, since the monopoly actor (in this case Telenor) has invested a lot of resources in its network and services and has the advantage of having strong political connections; NPTA, on the other hand, is interested in defending the newer anti-monopoly and competition path. The earlier stated principle of cost-oriented prices that constrained the handling of the case was also the product of path-dependency. Fourth, environmental pressure is strong, both from the institutional environment, constituted mainly by the media, and from the technical environment, involving many new actors in telecommunications; moreover, the EU influences both the institutional and technical environments.

Contrary to the belief that the new regulatory regime is a clear-cut and objective system, the essence of the Teletopia case reveals an ambiguous system of negotiation and a struggle to balance control and autonomy. While the leadership of NPTA took a rather sceptical attitude towards Telenor and strove to set a much lower access price than Telenor wanted, the experts in the agency exercised a modifying influence. This negotiation-based approach was then extended to the handling of the case in the appeal council, which sided with NPTA. Not surprisingly, the final decision in the ministry fell in favour of Telenor, something that can be explained in terms of path-dependency, traditional political support for Telenor and worries that new actors would become free-riders on major investments made by traditionally strong public actors in the past, thus discouraging further major investment by the latter. All these factors modify the judicial and economic arguments and discretion lower down the system, mainly in NPTA.

This process is more about regulation in practice than the first case and the concerns the vertical specialization or more directly the vertical integration. The different actors played their roles defined in the new regulatory regime, often not that well defined as thought, and the ministry had to enact discretion in its decision. Again, whether it would have been a smarter practice only to follow the decision of the regulatory agency is disputable. The decision made had its legitimacy through balancing different considerations.

Insights from the cases. A main observation from these two cases is that one cannot easily infer from regulatory programs and formal structure to practice. While there might be some loose coupling between comprehensive policy programs and specific reorganizations in certain policy areas, agency status in itself is a highly uncertain predictor of steering relationships (Pollitt 2003b). The legal status and formal powers of the agencies represent broad categories that allow for huge variations in practice. There are significant variations in steering relationships both between different policy areas and agencies and within the same agency over time. In practice there are great variations in how the rules for control, instructions and appeals are formulated for different agencies and how they are practised.

There are also major variations in how the MBOR system is practised, with both the focus and the intensity differing between ministries and agencies (Statskonsult 2004). Some agencies have long and detailed steering documents. Others are briefer and more general. Some are embedded in a close informal steering dialogue with extensive contact patterns with the parent ministry. Others stick to formal and more general rules and regulations. Normally the parent ministries do not try to steer how the agencies handle individual cases and there are generally very weak signals on professional issues from the parent ministry to the semi-independent regulatory agencies (Hommen 2003b, Statskonsult 2004). In crises, however, the ministry may intervene and withdraw the delegated autonomy (Christensen and Lægreid 2002). Agencies with extended autonomy do not differ from regular agencies in the way the parent ministry practises the MBOR system. A general deficit is the lack of monitoring and reporting of efficiency and results in the agencies (Statskonsult 2002b). There is also considerable variety in how the parent ministry uses such performance reports as do exist.

The two cases illustrate both the horizontal and vertical aspects of regulatory policy and smart practice respectively. The first case shows that it's difficult to implement the new regulatory policy through inter-agency cooperation and merger, but also important actors hesitate to accept that changing the structure would get a smarter regulatory practice. One reason for this is that organizing according to this new logic would have modified the agencies ability to attend to different aspects of internal security. So this illustrates one of Gulick (1937) main points that organizing public organizations according to certain principles concerning specialization and coordination may solve some problems, but also potentially create some new one. The formal organization structure is important for understanding variety in decision-making behaviour, but no one specific design can guarantee smart practice (Hammond, Jen and Maeda 2003, Hammond 2004).

The second case is attending more to the vertical dimension of regulatory policy. The system of regulation in the post and telecommunication area in Norway is now set up very much in accordance with the official and ideal model of OECD. The case show how the different actors are furthering their roles and interests according to this model, but this is not a model that result in an objective and smart practice. When the different actors are disagreeing because they play different roles and conceptually driven cooperation is difficult to obtain, the ministry have to balance the different definitions and interpretations and is doing that in a political–administrative context that is resulting in a compromise that is the smartest one possible under the circumstances.

Discussion

Historically speaking, Norway has had a rather unified and integrated central state system, with relatively strong political control of agencies by the cabinet and the ministries (Christensen 2003). Nevertheless, this system has been «flexible or smart enough» to accommodate a variety of considerations, which may explain why it lasted relatively unchanged for 150 years. In practice the system has been very robust, since the agency model represents a broad organizational form that allows a wide variety of actions. Using as a basis our broad institutional perspective, it is possible to show how the system has combined hierarchical control by politicians, the influence and partial autonomy of professional groups (reflecting some heterogeneity), a stable environment, a cultural consensus and the peaceful coexistence of many actors, creating an atmosphere of mutual trust. Moreover, since World War II the model has also included co-operation between interest groups for collective purposes (Christensen 2003). To complete the picture offered by the institutional perspective – it was taken for granted that this integrated governmental system would be the best one over a long period of time.

When NPM arrived in Norway in the 1980s, the main strategy was to adapt it to the historical path Norway had followed, i.e. to engage in a policy of pragmatic change whereby some elements from NPM—normally the least radical ones—were introduced (Christensen and Lægreid 1998). However, this strategy came under pressure in the 1990s, resulting in more autonomy for the agencies. This manifested itself primarily in the establishment of independent state-owned companies, which were, for the most part, old administrative enterprises that had historically been integrated in the central administrative apparatus. This reflected a strong vertical inter-organizational specialization of the centralized state. The reasons for this development may be understood from the main elements in the broad institutional perspective. First, neo-liberal entrepreneurs became more important in the reform process, partly because the electoral wind was blowing more towards the right, but also because the Labour Party became more right-leaning on these questions, creating winning coalitions. Second, the historical–cultural path was modified gradually, partly as a result of external pressure for reform, but mainly because internal actors, both political and administrative, adopted a more sympathetic attitude towards NPM, i.e. they increasingly thought it could be combined with historical traditions and develop them (Christensen 2003). Third, the notion that major elements from the disintegrated state model were appropriate increasingly became the received wisdom. The paradox is that this happened without Norway having any urgent need to reform, but it also explains why the old model was not abandoned but rather combined with NPM in various ways, without actually bringing about any fundamental transformation of the system.

The effects of this first wave of NPM-related reforms seem to be rather evident. One main finding from a study of political and administrative elites in Norway is that the increase in autonomy for agencies and state-owned companies has limited cabinet members' leeway for political discretion and control (Christensen and Lægreid 2002). The introduction of MBOR and the vertical specialization of agencies and companies

have increased the power of administrative leaders in the ministries and agencies at the expense of the ministers. In contrast to what is sought by public choice reforms this amounts to a considerable loss of control for the ministers and may increase the political risks that politicians have to take (c.f. Gregory 2003). In the Norwegian case the parliament seems to be more aware of these challenges than governmental executives; parliamentarians now often act in an unpredictable way, accepting the principle of non-interference but interfering nonetheless when media pressure is strong, thus creating greater problems for the ministers. The situation is still in a state of flux, however, and should not be seen as a one-way development. In specific cases the political leadership is still able to interfere and to reassert control, as case studies of immigration and hospital policy illustrate (Christensen and Lægreid 2003b, Lægreid, Opedal and Stigen 2003, Thynne 2003). Generally in Norway the constraints on the possibility to redraw the delegation to autonomous agencies have not been so strong that they represent a serious democratic problem (Hylland 2001).

Traditionally, Norway has had a rather undifferentiated set of agencies, whereby a large number of different functions are covered by the same organizational units. The process of horizontal specialization, based on practice in the Anglo-American countries in general and the EU in particular, started rather later in Norway, in the mid-1990s, and has entailed separating out regulatory tasks and assigning them to specific agencies, as highlighted by the White Paper issued by the current government in 2003. However, this policy has yet to be fully implemented and may well run into problems, as illustrated by the case of internal security. It does, however, signal the adoption of another element in the development towards the disintegrated state.

Our broad institutional perspective can be used to identify certain typical features of this reform process. First, it shows a political leadership eager to introduce more structural devolution, entailing increased vertical and horizontal specialization. The arguments supporting this policy attend very little to the challenges of political control posed by a new system of this type and tend instead to see it mainly in terms of efficiency and technical aspects of administration. So smart practice is more easily associated with something that is apolitical or anti-political, which is difficult to enact in a political–administrative context. Thus this policy is in practice resulting in compromises concerning the autonomy of the regulatory agencies and the organisation of the appeals process but nonetheless moving the regulatory agencies in the direction of more independence. The reform process is also generally characterized by somewhat inconsistent and ambiguous organizational thinking, concerning the implications of autonomy, the way ownership and regulatory functions should be organized and the sector-affiliation of the regulatory agencies.

Second, there is evidence of a changing culture concerning the regulatory agencies. The leaders of these agencies, like the leaders of general agencies and SOCs, are now tending to welcome the new development, as are administrative leaders in the ministries. This makes it easier to implement the reforms, even though some political executives and parties in parliament are reluctant to accept this cultural change (Christensen and Lægreid 2002). Third, external international and national pressure for reforms has grown in Norway over the last few years. It is now widely accepted that NPM-related reforms are appropriate and good. Nevertheless, more criticism is now being voiced

nationally than before, while international trends are starting to point in rather different directions, feeding this resistance.

The reorganization of the administration of internal security and the increased autonomy of NTPA to handle individual cases in the telecommunications sector show that this policy field is politically very controversial and complex. Individual cases of reorganization or regulation cannot be viewed in isolation as examples of technical implementation but need to be treated as political cases, involving political steering, external pressure and historical–institutional constraints. The cases reveal that in practice it is hard to implement the new regulatory policy program and simultaneously live up to the official formal governance model of frame-steering and performance-management (Pollitt 2002). The ministries often set general objectives that are vague, contradictory and subject to change, involving unresolved trade-offs. Often the ministry allows the agencies to set their own standards and targets but neglects to monitor these targets. When something goes wrong and there is media pressure or lobbying, the ministry can interfere and withdraw some of the liberties of the agencies, formulate new rules and criticize the agencies for actions that had actually not been discussed or clarified when targets were set (Pollitt 2002). Neither does the practitioner's model fit in very well with how the government's comprehensive regulatory reform program is being implemented in specific policy areas. Rather than assuming that political executives can freely select desirable reform measures, one needs to take into consideration historical–institutional constraints and external pressure. The cases we described above illustrate that we have to go beyond the legal status and formal powers of the government and the agencies to understand how political control works in practice (Pollitt 2003a). Smart regulatory practice is more diverse and context-dependent than the official model is implying.

This paper has focused on the mismatch between the doctrine of autonomous regulatory agencies and how they work in practice, and question whether implementing this doctrine fully would have produced a smarter practice. Instead of deriving explanations based on one dominant logic, the challenge is to develop more complex propositions about how the regulatory agencies are organized, how they work and how they are transformed. The de facto control and autonomy relationship varies across countries, between agencies and within the same agency over time. The reform process has been dominated by the criteria used to determine how agencies are supposed to behave, according to an idealised model, rather than by empirical documentation of how they actually work in practice (Pollitt 2003b). Furthermore, the dominant model is a complicated mixture of the New Public Management ideal of performance management, frame-steering and agency autonomy on the one hand, and demands for democratic governance based on democratic transparency, accountability, control and responsiveness on the other. We are facing simultaneous pressure to adapt to new forms of regulation and control and to guarantee the robustness of sustained democratic governance. This complexity places a heavy burden on both agency management and on political governance. Formal regulatory agency status seems to be a broad category allowing a variety of actual behaviour. Thus, we must go beyond formal legal models of agency status and examine «living» institutions.

An examination of the formulation of regulatory policy, the implementation of the policy program and how relations between ministries and agencies work in practice reveals a complex mixture of external pressure from dominant international agency doctrines, domestic administrative and institutional context and political choices made by government executives and political leaders. To understand both policy development and practice in the field of regulatory agencies we have to go beyond one-factor explanations and look at transformation and translation processes (Christensen and Lægreid 2001, Czerniawska and Sevon 1996). The trade-off between autonomy and control will thus be influenced by the motivation of central actors to interfere. But the equation can also be affected by the distribution of professional expertise. If the ministry lacks the knowledge or capacity to assess what is going on in the agencies it will also experience problems in exercising political control. This is especially likely to be the case with agencies handling complicated technical matters involving advanced science and technology.

Conclusion

In this paper we have focused on the balance between political control and agency autonomy in the central governmental apparatus in Norway. It has been shown how the gradual shift from an integrated to a disintegrated state has produced instability in this balance rather than the enhanced stability promised by the reform entrepreneurs. Whether this is smart is debatable. We started out by describing the different driving forces behind the traditional agency model in Norway, a model that remained quite stable for about 150 years. We then traced the increased structural devolution of agencies from the mid-1990s onwards and analysed the effects of this on political control. Regulatory reform started late in Norway, so the focus of our analysis was on processes that have taken place in the last few years, both concerning organizational thinking advanced by the political leadership and the compromises reached in parliament with its opponents. The result has been increased autonomy for the regulatory agencies and a more specific allocation of tasks, but not as much as intended. We then discussed how the reforms have worked in practice, focusing on two policy areas to illustrate the unstable balance between political control and agency autonomy.

In a period when the doctrine of agencification, structural devolution and antonomization is strong, there is considerable institutional confusion about what tasks, objectives and responsibility the autonomous agencies should have (Olsen 1998). Democratic control seems to be have been weakened by this new autonomy, even if it is not absolute, but it is unclear what kinds of interests and considerations are replacing traditional political signals and discretion or how the trade-off between political control and agency autonomy will unfold over time. A fundamental question is what consequences these reforms will have for the legitimacy of the political–administrative system within a representative democracy. One observation is that power relations seem to be changing faster than accountability relations. The political leadership often finds itself in situations where it has responsibility without the corresponding power and

control (Brunsson 1989). Conversely, many of the independent and autonomous agencies may gain more power without necessarily becoming more accountable.

It is, however, important to underline that there is great uncertainty about the effects and implications of modern reforms, and one suspects that many of the administrative reforms, including the principle of single-purpose organizations and independent agencies, represent ideological imports rather than real innovations and smart practice. When practice is not consistent with the administrative model, this does not necessarily imply that practice is wrong or not smart. Lack of correspondence may just as well be a problem of the model as an implementation problem.

In recent years the importance of the historical–institutional context has been rediscovered (Olsen 2004). The need for in-depth understanding of the special situations of individual countries is now being underlined to a greater extent (World Bank 2000). Priorities have shifted from a drive to create agencies and autonomous bodies to a striving to achieve good governance generally and more specifically to find the right balance between accountability and autonomy by focusing on weak co-ordination devices, lack of governing capacity and weak accountability mechanisms (OECD 2002b). One main lesson is that context matters. The effects of structural arrangements, culture and the present parliamentary situation are dependent on the character of the policy issue on the agenda and the tasks that different agencies handle. The policy salience or sensitivity seems to be especially challenging for the balance between political control and autonomy.

The data presented reveal that in practice it may become difficult to live up to the principles of autonomization and the official formal governance model of frame-steering and performance management, but this fact don't necessarily undermine the ability of producing smart regulatory practice. The slogan «more steering in big issues and less steering in small issues» seems to be easier in theory than in practice. This corresponds with experience from other reforms (Christensen and Lægreid 2003a, 2003c; Pollitt 2002). The situation may lead to political executives finding themselves in a «Catch-22 situation». If a politician abstains from involvement, he or she may be criticised for being too passive; by intervening, however, he or she may be accused of not complying with the rules of the game.

Our conclusion is that stability in the trade-off between autonomy and control is an elusive goal. Achieving a balance between the two has been a recurring problem in Norwegian administrative history (Grønlie 2001) and it is an open question whether more professional independence for experts in autonomous agencies will prevail, or whether there will be a counter-wave of re-politicization. The lesson is that an unstable balance between autonomy and control is not a specific problem of the organization of the public sector but rather a basic systemic feature. The issue cannot be resolved once and for all. Instead one has to learn to live with partly conflicting values. How this situation is handled is determined to a great extent by the domestic political–administrative culture and structural features as well as by the external influence of the dominant international administrative doctrine. The extensive reform efforts have not resolved the enduring tensions between politics and administration, between autonomy and control, between centralisation and decentralisation, and between market efficiency and other values such as security, openness, democratic representativeness, professional

quality and integrity and *Rechtstaat* values and rules. These are tensions which cannot be easily resolved.

References

Bardach, E. (1998) *Getting Agencies to Work Together, The Practice and Theory of Management Craftsmanship.* Washington D.C: Brookings Institution.

Bardach, E. (2004) «Implementing Innovation Across Agency Lines». Paper presented at the 20th Anniversary Conference of the Structure and Organization of Government Research Committee of the International Political Science Association, «Smart Practices Toward Innovation in Public Management». Vancouver, June 15–17, 2004.

Barzelay, M. (2004) «Narratives, Arguments, and Institutional Processualism: Learning about Implementing Presidential Priorities from Brazil in Action». Paper presented at the 20th Anniversary Conference of the Structure and Organization of Government Research Committee of the International Political Science Association, «Smart Practices Toward Innovation in Public Management». Vancouver, June 15–17, 2004.

Bleiklie, I., P. Lægreid and M.H. Wik (2003) «Changing Government Control in Norway: High Civil Service, Universities and Prisons». Working Paper 2/2003. Bergen: Rokkan Center.

Boston, J., J. Martin, J. Pallot and P. Walsh (1996) *Public Management: The New Zealand Model.* Auckland: Oxford University Press.

Bouckaert, G. and B.G. Peters (2004) «What is available and what is missing in the study of quangos?». In C. Pollitt and C. Talbot (eds): *Unbundled Government.* London: Routledge.

Brunsson, N. (1989) *The Organization of Hypocrisy. Talk, Decisions and Actions in Organizations.* New York: Wiley.

Brunsson, N. and J.P. Olsen (1993) *Reforming Organizations*. London: Routledge

Christensen, T. (2003) «Narratives of Norwegian Governance: Elaborating the Strong State Tradition», *Public Administration*, 81 (1): 163–190.

Christensen, T. and P. Lægreid (1998) «Administrative Reform Policy: The Case of Norway», *International Review of Administrative Sciences*, 64: 457–475.

Christensen, T. and P. Lægreid (eds.) (2001) *New Public Management. The Transformation of Ideas and Practice.* Aldershot: Ashgate.

Christensen, T. and P. Lægreid (2002) *Reformer og lederskap. Omstillinger i den utøvende makt* (Reforms and Leadership.Renewal in the Executive Power). Oslo: Scandinavian University Press..

Christensen, T. and P. Lægreid (2003a) «Coping with Complex Leadership Roles: The Problematic Redefinition of Government-Owned Enterprises», *Public Administration*, 81 (4): 803–831.

Christensen, T. and P. Lægreid (2003b) «Accountability and power – the effects of 'autonomization' of governmental bodies». Paper prepared for presentation at the 19th IPSA World Congress, Research group 27/SOG panel on «Politicians and Public Sector Reform: How to Balance Political Control and Management Consequences», Durban June 29–July 4, 2003.

Christensen, T. and P. Lægreid (2003c) «Administrative Reform Policy: The Challenges of Turning Symbols into Practice», *Public Organization Review: A Global Journal*, 3: 3–7.

Christensen, T. and P. G. Roness (1999) «Den historiske arven» (The Historical Heritage). In P.Lægreid and O.K. Pedersen (eds.): *Fra oppbygning til ombygning av staten.* (From State Expansion to State Rebuilding.). Copenhagen: Jurist- og Økonomforbundets forlag.

Christensen, T., P. Lægreid and L.C. Wise (2003) «Evaluating public management reform in government: Norway, Sweden and the United States». In H. Wollman (ed.): *Evaluation in Public-Sector Reform. Concepts and Practice in International Perspective.* Cheltenham,UK: Edward Elgar.

Cyert, R. M. and J. G. March (1963) *A behavioral theory of the firm.* Englewood Cliffs, N.J.: Prentice-Hall.

Czarniawska, B. and G. Sevón (eds.) (1996) *Translating Organizational Change*. Berlin: De Gruyter.

Dunleavy, P. (1991) *Democracy, Bureaucracy, and Public Choice: Economic Explanations in Political Science*. Harvester Wheatsleaf: Hemel Hemstead.

Gregory, (2003) «All the Kings Horses and all the Kings Men: Putting New Zealand Public Sector Back Together Again», *International Public Management Review,* 4 (2):41−55.

Grønlie, T. (1999) *Forvaltning for politikk* (Administration for Politics). Bergen: Fagbokforlaget.

Grønlie, T. (2001) «Varige spenninger i styrings- og forvaltningspolitikken» (Durable Tensions in Governance and Administrative Policy). In B.S. Tranøy and Ø. Østerud (eds.): *Den fragmenterte staten* (The Fragmented State). Oslo: Gyldendal Akademisk.

Grønlie, T. and A. H. Nagel (1998) «Administrative History in Norway», *Yearbook of European Administrative History*, 10: 307–332.

Gulick, L. (1937) «Notes on the Theory of Organizations». In L. Gulick and L. Urwick (eds): *Papers on the Science of Administration*. New York: A.M. Kelley.

Hammond, T.H. (2004) «Why is the intelligence community so difficult to redesign?». Paper presented at the 20th Anniversary Conference of the Structure and Organization of Government Research Committee of the International Political Science Association, «Smart Practices Toward Innovation in Public Management». Vancouver, June 15–17, 2004.

Hammond, T.H., K.I. Jen and K. Maeda (2003) «Intelligence organizations and the organization of intelligence: What library catalogues can tell us about 9/11». Paper presented at the conference on Innovation, Institutions and Public Policy in a Global Context. Washington DC, May 22–24, 2003.

Hood, C., et al. (1999) *Regulation Inside Government*. Oxford: Oxford University Press.

Hood, C., O. James, G. Peters and C. Scott (eds.) (2004) *Controlling Modern Government: Variety, Commonality and Change*. Edward Elgar (forthcoming).

Hommen, K.O. (2003a) «Tilsynspolitikk i Norge: Utflytting og autonomi» (Regulatory Politics in Norway: Relocation and Autonomy). Paper no 17. Bergen: The Rokkan Centre.

Hommen, K.O. (2003b) «Tilsynsroller i samferdselssektoren» (Regulatory Roles in the Communications Sector). Working paper no. 6. Bergen: The Rokkan Centre.

Hylland, A. (2001) «Offentlige organer med delvis uavhengighet» (Partly Independent Public Bodies). In B.S. Tranøy and Ø. Østerud (eds.): *Den fragmenterte staten* (The Fragmented State). Oslo: Gyldendal Akademisk.

James, O. (2003) *The Executive Revolution in Whitehall*. London: Palgrave.

Kettl, D.F. (2004) *System under Stress. Homeland Security and American Politics*. Washington D.C.: C.Q.Press.

Landau, M. (1969) «Redundancy, rationality, and the problem of duplication and overlap», *Public Administration Review*, vol. 29: 346–58.

Lægreid, P. and S. Serigstad (2004) «Organizing for Homeland Security: The Case of Norway». Paper presented at the 20th EGOS Conference, Ljubljana July 1–3, 2004.

Lægreid, P., S. Opedal and I.M. Stigen (2003) «The Norwegian Hospital Reform. Balancing Political Control and Enterprise Autonomy». Paper presented at the 17th Nordic Conference in Business Studies, August 14–16 2003.

Lægreid, P., P.G. Roness, V.W. Rolland and J.E. Ågotnes (2003) «The Structural Anatomy of the Norwegian state 1947–2003». Paper presented at the seminar on the study of public sector organizations, Leuven, May 2–3 2003.

Majone, G. (1996) *Regulating Europe*. London: Routledge.

March, J. G. and J. P. Olsen (1983) «Organizing Political Life. What Administrative Reorganization Tells Us About Government», *American Political Science Review*, 77: 281–297.

March, J.G. and J.P. Olsen (1989) *Rediscovering Institutions*. New York: The Free Press.

Mayntz, R. and F. Scharpf (1975) *Policymaking in the German Federal Bureaucracy*. Amsterdam: Elsevier.

Meyer, J. and B. Rowan (1977) «Institutionalized Organizations: Formal Structure as Myth and Ceremony», *American Journal of Sociology*, 83: 340–363.

Mitnick, B. (1980) *The Political Economy of Regulation*. New York: Columbia University Press.

Molander, P., J.E. Nilsson and A. Schick (2002) «Does Anyone Govern? The Relationship between the Government Office and the Agencies in Sweden». Report from the SNS Constitutional Project. Stockholm: SNS.

Moran, M. (2002) «Review Article: Understanding the Regulatory State», *British Journal of Political Science*, 32: 391–413.

NOU 2000:24: *Et sårbart samfunn* (A Vulnerable Society). Oslo: The Ministry of Justice and the Police.

OECD (1997) *Report on Regulatory Reform*. Paris: OECD.

OECD (2002a) *Regulatory Policies in OECD Countries. From Interventionism to Regulatory Governance*. Paris: OECD.

OECD (2002b) *Distributed Public Governance. Agencies, Authorities and Other Government Bodies*. Paris: OECD.

OECD (2003) *Norway. Preparing for the Future Now*. Paris: OECD.

Olsen, J. P. (1988) «Administrative Reform and Theories of Organization». In C. Campbell and B. G. Peters (eds.): *Organizing Governance: Governing Organizations*. Pittsburgh: University of Pittsburgh Press.

Olsen, J.P. (1992) «Analyzing Institutional Dynamics», *Staatswissenschaften und Staatspraxis,* 3 (2): 247–271.

Olsen, J. P. (1996) «Norway: Slow Learner – or Another Triumph of the Tortoise?». In J. P. Olsen and B. G. Peters (eds.): *Lessons from Experience*. Oslo: Scandinavian University Press.

Olsen, J.P. (1997) «Civil Service in Transition – Dilemmas and Lessons Learned». In J. J. Hesse and T.A.J. Toonen (eds.): *The European Yearbook of Comparative Government and Public Administration,* Vol. III. Baden-Baden: Nomos.

Olsen, J.P. (1998) «Offentlig styring i en institusjonsforvirret tid» (Public Governance in a Time of Institutional Confusion), *Nytt Norsk Tidsskrift*, 5 (1): 7–20.

Olsen, J.P. (2004) «Citizens, Public Administration and the Search for Theoretical Foundations», *The 17th Annual John Gaus Lecture, Political Science and Politics*, 37 (1):69–79.

Pollitt, C. (2002) «Ministries and Agencies: Performance Management or Poor Parenting?». A discussion paper for NOB 2002. Rotterdam: Erasmus University.

Pollitt, C. (2003a) *The Essential Public Manager*. Mainhead: Open University Press.

Pollitt, C. (2003b) «Ministries and Agencies: Steering, Meddling, Neglecting and Dependency». Paper presented at the Hong Kong State Capacity Workshop, October 3–4, 2003.

Pollitt, C. (2004) «Theoretical Overview». In C. Pollitt and C. Talbot (eds.): *Unbundled Government*. London: Routledge.

Pollitt, C. and G. Bouckaert (2004) *Public Management Reform. A Comparative Analysis,* 2.edition. Oxford: Oxford University Press.

Pollitt, C. and C. Talbolt (eds.) (2004) *Unbundled Government*. London: Routledge.

Pollitt, C. et al. (2004) *Agencies: How Governments Do Things Through Semi-Autonomous Organizations*. London: Palgrave (forthcoming).

Powell, W. and P. Di Maggio (eds) (1991) *The New Institutionalism in Organizational Analysis*. Chicago: University of Chicago Press.

Rubecksen, K. (2003) «State Organizations in Norway: Organizational Features and Task Portfolio in Civil Service Organizations in 1989 and 1999». Paper presented at the seminar on organizational forms, autonomy and control in the public sector, Bergen December 1–2 2003.

Self, P. (2000) *Rolling Back the State. Economic Dogma & Political Choice*. New York: St. Martin's Press.

Serigstad, S. (2003) *Samordning og samfunnstryggleik* (Coordination and Internal Security). Report no. 16. Bergen: The Rokkan Centre.

Statskonsult (2002a) «Den norske departementsstrukturen. En gjennomgang av enkelte trekk og utfordringer ved departementenes oppgaver, arbeidsformer og organisering» (The Norwegian Ministerial Structure. A Discussion of Some Features and Challenges Related to the Tasks, Working Methods and Organization of the Ministries). Paper no 5. Oslo: Statskonsult.

Statskonsult (2002b) «Modernisering av den norske departments-direktoratsmodellen» (Modernizing the Norwegian Ministry-Agency Model). Paper no 6. Oslo: Statskonsult.

Statskonsult (2002c) *(Be)grep om tilsyn. Gjennomgang av statlige tilsynsordninger* (The Concept of the Regulatory Agency. A Discussion of Governmental Regulatory Agencies). Report 12. Oslo: Statskonsult.

Statskonsult (2004) *Forvaltningsorganenes uavhengighet.* (The independence of agencies). Report. Oslo: Statskonsult .

St.meld. no 17 (2001–2002): *Samfunnsikkerhet. Veien til et mindre sårbart samfunn* (Internal Security. The Road Towards a Less Vulnerable Society). Oslo: The Ministry of Justice and the Police.

St.meld.nr. 17 (2002–2003): *Om statlige tilsyn* (About Governmental Regulatory Agencies). Oslo: Ministry of Labour and Government Administration.

Talbot, C. (2004) «The Agency Idea: Sometimes Old, Sometimes New, Sometimes Borrowed, Sometimes Untrue». In C. Pollitt and C. Talbot (eds.): *Unbundled Government.* London: Routledge.

Thynne, I. (2003) «State Organizations as Agencies: An Identifiable and Meaningful Focus on Research?.» Paper presented at the 7th International Research Symposium on Public Management, Hong Kong, October 2–4, 2003.

Vogel, S. (1996) *Freer Markets, More Rules. Regulatory reforms in Advanced Countries.* Ithaca: Cornell University Press.

World Bank (2000) *Reforming Public Institutions and Strengthening Governance: A World Bank Strategy 2000.* Washington DC: The World Bank.

WORKING PAPERS ROKKANSENTERET (ISSN 1503-0946)

The publications can be ordered from Rokkansenteret, tel +47 55 58 97 10,
e-mail: post@rokkan.uib.no, http://www.rokkansenteret.uib.no

2004

1-2004 *Dag Olaf Torjesen and Hallgeir Gammelsæter:* «Management Between Autonomy and Transparency in the Enterprise Hospital». January 2004.

2-2004 *Haldor Byrkjeflot and Simon Neby*: «The Decentralized Path Challenged? Nordic Health Care Reforms in Comparison». January 2004.

3-2004 *Tom Christensen and Per Lægreid:* «The Fragmented State – the Challenges of Combining Efficiency, Institutional Norms and Democracy». March 2004.

4-2004 *Morten Dyrdal:* «Europeisering av tilsynsmyndigheter i Norge og Sverige». Mars 2004.

5-2004 *Karsten Vrangbæk and Katarina Østergren:* «The Introduction of Choice in Scandinavian Hospital Systems. Arguments and Policy Processes in the Danish and the Norwegian Case». March 2004.

6-2004 *Marit Tjomsland*: «Internationalization at Norwegian Universities and Colleges after the Quality Reform». April 2004. The Globalization Program.

7-2004 *Hans-Tore Hansen, Anne Hege Trædal-Henden, Olaf Jürgens and Wolfgang Voges*: «Poverty among Households with Children: A Comparative Study of Lone Parents and Couples with Children in Norway and Germany». April 2004.

8-2004 *Renate Storetvedt Lien og Arnhild Taksdal* «Integrering av kjønnsperspektiv i offentlig tjenesteproduksjon og planlegging». Mai 2004.

9-2004 *Ingrid Helgøy og Synnøve Serigstad:* «Tilsyn som styringsform i forholdet mellom staten og kommunene». Mai 2004.

10-2004 *Morten Dyrdal*: «Legemiddeltilsyn og europeisering». September 2004.

11-2004 *Bodil Ravneberg:* «Økonomiske insentiv i arbeidslinjen, virker det? Evaluering av forsøksordning med kvalifiseringsstønad i 'Prosjektet Amalie' i Åsane». Oktober 2004.

12-2004 *Per Lægreid and Synnøve Serigstad:* «Organizing for Homeland Security: The Case of Norway». November 2004.

13-2004 *Ivar Bleiklie:* «Institutional Conditions and the Responsibilities of Universities». November 2004.

14-2004 *Lise Hellebø*: «Food Safety at Stake – the Establishment of Food Agencies». November 2004.

15-2004 *Katarina Østergren:* «The Institutional Construction of Consumerism. A Study of Implementing Quality Indicators». November 2004.

16-2004 *Ingrid Helgøy and Anne Homme:* «Governance in Primary and Lower Secondary Education. Comparing Norway, Sweden and England». November 2004.

17-2004 *Tom Christensen, Per Lægreid and Inger Marie Stigen:* «Performance Management and Public Sector Reform: The Norwegian Hospial Reform». December 2004.

18-2004 *Tom Christensen and Per Lægreid:* «Regulatory Agencies − The Challenges of Balancing Agency Autonomy and Political Control». December 2004.

2003

1-2003 *Tom Christensen og Per Lægreid:* «Politisk styring og privatisering: holdninger i elitene og befolkningen». Mars 2003.

2-2003 *Ivar Bleiklie, Per Lægreid and Marjoleine H. Wik:* «Changing Government Control in Norway: High Civil Service, Universities and Prisons». March 2003.

3-2003 *Badi H. Baltagi, Espen Bratberg and Tor Helge Holmås:* «A Panel Data Study of Physicians' Labor Supply: The Case of Norway». March 2003. HEB.

4-2003 *Kjell Erik Lommerud, Frode Meland and Lars Sørgard*: «Unionised Oligopoly, Trade Liberalisation and Location Choice». March 2003. The Globalization Program.

5-2003 *Lise Hellebø:* «Nordic Alcohol Policy and Globalization as a Changing Force». April 2003.

6-2003 *Kim Ove Hommen:* «Tilsynsroller i samferdselssektoren». April 2003.

7-2003 *Tom Christensen and Per Lægreid:* «Trust in Government – the Significance of Attitudes Towards Democracy, the Public Sector and Public Sector Reforms». April 2003.

8-2003 *Rune Ervik:* «Global Normative Standards and National Solutions for Pension Provision: The World Bank, ILO, Norway and South Africa in Comparative Perspective». April 2003. The Globalization Program.

9-2003 *Nanna Kildal:* «The Welfare State: Three Normative Tensions». Mai 2003.

10-2003 *Simon Neby:* «Politisk styring og institusjonell autonomi – tre illustrasjoner». Mai 2003.

11-2003 *Nina Berven:* «Cross National Comparison and National Contexts: Is what we Compare Comparable?». July 2003. The Globalization Program.

12-2003 *Hilde Hatleskog Zeiner:* «Kontrollhensyn og kontrollpraksis. En studie av Food and Veterinary Office (FVO)». August 2003.

13-2003 *Nanna Kildal:* «Perspectives on Policy Transfer: The Case of the OECD». August 2003.

14-2003 *Erik Allardt:* «Two Lectures: Stein Rokkan and the Twentieth Century Social Science». «Den sociala rapporteringens tidstypiska förankring». September 2003.

15-2003 *Ilcheong Yi:* «The National Patterns of Unemployment Policies in Two Asian Countries: Malaysia and South Korea». September 2003. The Globalization Program.

16-2003 *Dag Arne Christensen:* «Active Ageing: Country Report Norway». November 2003.

17-2003 *Kim Ove Hommen:* «Tilsynspolitikk i Norge: Utflytting og autonomi». November 2003.

18-2003 *Dag Arne Christensen, Rune Ervik and Ingrid Helgøy:* «The Impact of Institutional Legacies on Active Ageing Policies: Norway and UK as Contrasting Cases». December 2003.

19-2003 *Ole Frithjof Norheim og Benedicte Carlsen*: «Legens doble rolle som advokat og portvakt i Fastlegeordningen. Evaluering av fastlegeordningen». Desember 2003. HEB.

20-2003 *Kurt R. Brekke og Odd Rune Straume:* «Pris- og avanseregulering i legemiddelmarkedet. En prinsipiell diskusjon og en vurdering av den norske modellen». Desember 2003. HEB.

21-2003 *Per Lægreid, Vidar W. Rolland, Paul G. Roness and John-Erik Ågotnes:* «The Structural Anatomy of the Norwegian State 1947–2003». December 2003.

22-2003 *Ivar Bleiklie, Haldor Byrkjeflot and Katarina Östergren:* «Taking Power from Knowledge. A Theoretical Framework for the Study of Two Public Sector Reforms». December 2003. ATM.

23-2003 *Per Lægreid, Ståle Opedal and Inger Marie Stigen:* «The Norwegian Hospital Reform – Balancing Political Control and Enterprise Autonomy». December 2003. ATM.

24-2003 *Håkon Høst*: «Kompetansemåling eller voksenutdanning i pleie- og omsorgsfagene? Underveisrapport fra en studie av pleie- og omsorgsutdanningene». Desember 2003.

25-2003 *Kjell Erik Lommerud, Odd Rune Straume and Lars Sørgard:* «Downstream merger with upstream market power». The Globalization Program. December 2003.

26-2003 *Ingrid Drexel:* «Two Lectures: The Concept of Competence – an Instrument of Social and Political Change». «Centrally Coordinated Decentralization – No Problem? Lessons from the Italian Case». December 2003.

2002

1-2002 *Håkon Høst:* «Lærlingeordning eller skolebasert utdanning i pleie- og omsorgsfagene?». April 2002.

2-2002 *Jan-Kåre Breivik, Hilde Haualand and Per Solvang:* «Rome – a Temporary Deaf City! Deaflympics 2001». June 2002.

3-2002 *Jan-Kåre Breivik, Hilde Haualand og Per Solvang:* «Roma – en midlertidig døv by! Deaflympics 2001». Juni 2002.

4-2002 *Christian Madsen:* «Spiller det noen rolle? – om hverdagen på nye og gamle sykehjem». Juni 2002.

5-2002 *Elin Aasmundrud Mathiesen*: «Fritt sykehusvalg. En teoretisk analyse av konkurranse i det norske sykehusmarkedet». Juni 2002. HEB.

6-2002 *Tor Helge Holmås:* «Keeping Nurses at Work: A Duration Analysis». June 2002. HEB.

7-2002 *Ingvild Halland Ørnsrud:* «Mål- og resultatstyring gjennom statlige budsjettreformer». Juli 2002.

8-2002 *Torstein Haaland:* «Tid, situasjonisme og institusjonell utakt i systemer». Juli 2002.

9-2002 *Kristin Strømsnes:* «Samspillet mellom frivillig organisering og demokrati: Teoretiske argument og empirisk dokumentasjon». August 2002.

10-2002 *Marjoleine Hooijkaas Wik:* «Mangfold eller konformitet? Likheter og forskjeller innenfor og mellom fem statlige tilknytningsformer». August 2002.

11-2002 *Knut Helland*:«Den opprinnelige symbiosen mellom fotball og presse». September 2002.

12-2002 *Nina Berven:* «National Politics and Global Ideas? Welfare, Work and Legitimacy in Norway and the United States». September 2002. The Globalization Program.

13-2002 *Johannes Hjellbrekke:* «Globalisering som utfordring til samfunnsvitskapane». September 2002. Globaliseringsprogrammet.

14-2002 *Atle Møen:* «Den globale produksjonen av symbol og kunnskap. Verdsflukt og verdsherredømme». September 2002. Globaliseringsprogrammet.

15-2002 *Tom Christensen and Per Lægreid:* «Complex Patterns of Interaction and Influence Among Political and Administrative Leaders». October 2002.

16-2002 *Ivar Bleiklie:* «Hierarchy and Specialization. On Institutional Integration of Higher Education Systems». Oktober 2002.

17-002 *Per Lægreid, Runolfur Smari Steinthorsson and Baldur Thorhallsson:* «Europeanization of Public Administration: Effects of the EU on the Central Administration in the Nordic States». November 2002.

18-2002 *Tom Christensen and Per Lægreid:* «Trust in Government — the Relative Importance of Service Satisfaction, Political Factors and Demography». November 2002.

19-2002 *Marit Tjomsland:* «Arbeidsinnvandringssituasjonen i Norge etter 1975». November 2002. Globaliseringsprogrammet.

20-2002 *Augustín José Menéndez m.fl.:* «Taxing Europe. The Case for European Taxes in Federal Perspective». December 2002. The Globalization Program.

21-2002 *Fredrik Andersson and Kai A. Konrad*: «Globalization and Risky Human Capital Investment».December 2002. The Globalization Program.

22-2002 *Fredrik Andersson and Kai A. Konrad*: «Human Capital Investment and Globalization in Extortionary States». December 2002. The Globalization Program.

23-2002 *Anne Lise Fimreite, Yngve Flo og Jacob Aars*: «Generalistkommune og oppgavedifferensiering. Tre innlegg». Desember 2002.

24-2002 *Knut Grove*: «Frå privat initiativ til kommunalt monopol. Lysverk, sporvegar og renovasjon i Bergen og Oslo 1850–1935». Desember 2002.

25-2002 *Knut Grove*: «Mellom 'non-intervention' og 'samfundsvillie'. Statleg og kommunal regulering av økonomisk verksemd i Norge på 1800-talet». Desember 2002.

26-2002 *Dag Arne Christensen*: «Hovedtyper av valgordninger. Proporsjonalitet eller politisk styring?». Desember 2002.

27-2002 *Jan Erik Askildsen, Badi H. Baltagi and Tor Helge Holmås:* «Will Increased Wages Reduce Shortage of Nurses? A Panel Data Analysis f Nurses' Labour Supply». December 2002. HEB.

28-2002 *Sturla Gjesdal, Peder R. Ringdal, Kjell Haug and John Gunnar Mæland:* «Medical Predictors of Disability Pension in Long-Term Sickness Absence. December 2002. HEB.

29-2002 *Dag Arne Christensen og Jacob Aars:* «Teknologi og demokrati. Med norske kommuner på nett!». Desember 2002.

30-2002 *Jacob Aars:* «Byfolk og politikk. Gjennomgang av data fra en befolkningsundersøkelse i Bergen, Oslo og Tromsø». Desember 2002.

31-2002 *Hjørdis Grove:* «Kommunaliseringsprosessen i Århus 1850–1940». Desember 2002.