

## **Resisting governmental control<sup>1</sup>**

How semi-autonomous agencies use strategic resources to challenge state coordination

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### **Abstract**

*Institutional pressure caused by public sector reform leads to strategic reactions from semi-autonomous agencies. Agencies in the Netherlands and France only complied with a selection of imposed reforms. Other rules were manipulated, not complied with, or compromises were made. The degree of compliance to reforms is not only dependent on structural aspects, but also on resources and power distributions between the actors.*

*A comparison is made between the introductions of the Dutch Kaderwet ZBO and the French Révision Générale des Politiques Publiques. These agency reforms are contested between ministries, rather than between agency and parent ministry alone. Parent ministries tend to side with their agencies in both countries. In the Netherlands, power-related issues were most debated, whereas in France money-related issues caused most disagreement.*

### **Points for practitioners**

*Reforms targeted at agencies are likely to meet resistance if agencies do not agree with the proposed rules, especially if they alter existing power relations. Some agencies possess certain resources which they can apply strategically to offer resistance against reforms. Parent ministries tend to side with agencies in their sector and try to protect them from other ministries.*

**Keywords:** agencies, établissement public, Kaderwet ZBO's, public management, reform, strategic, RGPP, ZBO

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<sup>1</sup> Please cite as Overman, Sjors, Sandra van Thiel, and François Lafarge. (2014). *International Review of Administrative Sciences* vol. 80 no. 1, pp. 172-192. doi: 10.1177/0020852313509534

## **Resisting governmental control**

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Programs to retake control, better coordinate or improve power over such agencies are based on the assumption that governments are able to influence them. In empirical studies, the central state is still found to be in control to a large extent, but it is unclear how mechanisms of influence work (Yesilkagit and Van Thiel 2011). In this study, we focus on possible government influences and their mechanisms.

In the Netherlands, a framework law on semi-autonomous agencies was introduced from 2006 on (*Kaderwet zbo's*, hereafter: KZBO). Agencies in France were submitted to a reform package in 2010 (*Révision Générale des Politiques Publiques*, hereafter: RGPP). More details about these reforms and the type of agencies will be given below. The goal of this study is to explain the reactions of agencies to these reforms. Our central question is: What reactions from semi-autonomous agencies have been caused by the introduction of the KZBO in the Netherlands and the RGPP in France, and how can these reactions be explained? The first section of this article includes an explanation of the theoretical framework that has been used to test agencies' reactions. The two reforms will be discussed in the second section. A number of expectations are presented, based on the theory and the contents of the reforms. In the third section, these expectations are tested in four agencies, two in each country. In the last section we will draw several conclusions and discuss some theoretical implications.

## **Agencies' Responses**

In general, three key features are ascribed to agencies (Talbot, 2004): agencies (i) are structurally disaggregated from a ministry, (ii) carry out public tasks and (iii) operate under contractual conditions. As a consequence of disaggregation, agencies possess managerial autonomy to shape their own organization structure and determine personnel and financial

matters. Other features of autonomy depend on the legal conditions and politico-administrative traditions of a country (see Verhoest et al., 2012). The agencies studied here are all public bodies; ministerial responsibility is reduced or absent for individual decisions made by the agency and they possess some financial autonomy (Allix and Van Thiel, 2005; Greve et al., 1999). The agencies studied in the Netherlands are *zelfstandige bestuursorganen* (ZBOs) and in France they are *établissements publics* (EPs).

In organizational practice as well as in the academic literature until the 1990s, both the importance of institutions, as well as the role of individual strategic action have been stressed. Much of the recent literature on agency control and autonomy still focuses on institutional structures (Pollitt et al, 2004; Verhoest et al., 2010). However, already in the 1990s, it was proposed that these two perspectives – institutional theory and resource dependency – are complementary (Dimaggio, 1988; Oliver, 1991) and should therefore be applied at the same time. Institutional theory is well capable of explaining influences on individual preferences, for example through legal coercion or when certain norms are considered to be obvious or natural (Ashworth et al., 2007; Dimaggio and Powell, 1983; Scott, 1995). Moreover, it also shows how prior interactions within national contexts become institutionalized routines and practices (Guyomarch, 1999; Reid and Toffel, 2009). Resource dependence theory can, on the other hand, help to explain why newly proposed rules are not mechanically acquired in any organization (Pfeffer and Salancik, 1978). Mahoney and Thelen (2010) add that the distribution of power should be central in investigating institutions. As a result, they argue, compliance emerges as a variable. Oliver's theory (1991) provides a range of reactions – from compliance, to compromise, manipulation and non-compliance – and thus facilitates a more complex explanation of agency behavior. The reactions, or 'degree of compliance', are explained by several factors, which can be categorized into five dimensions. The degree of compliance is affected by the cause, constituents, content, control and context of institutional pressure (Oliver, 1991).

The causes, or purposes, of institutional pressures are operationalized as their legitimacy. Legitimacy can be understood as the perception that actions are desirable in their particular institutional system (Suchman, 1995). When the legitimacy of a proposed change is high, an organization will probably acquire or adopt the change. However, when the legitimacy is low,

compromises, manipulation, or non-compliance are expected responses. Oliver (1991) divided this dimension in economic legitimacy (efficiency) and social legitimacy (appropriateness).

The second factor that is expected to be of influence is the constituents. The type of actor that tries to exert influence on and its relation to the agency as well as its control of resources are important. An agency's dependence can lead to compliance (cf. Oliver, 1991) but *vice versa* the ministry can experience dependence as well, which could lead to a shift toward non-compliance by the agency. James and Van Thiel (2011: 215) point to the multiplicity of actors that might want to influence agencies. It is not evident that only one ministry is involved in large bureaucratic reform, and therefore, the different actors can be mutually dependent on one another. Moreover, a shift in power distribution between the different actors will also have consequences on the degree of compliance with the reform (Mahoney & Thelen, 2010). Lastly, Verhoest and colleagues (2010: 233) argue that the presence of a governing board as an additional actor can increase HRM autonomy.

Content is operationalized as the consistency of the reform plans with existing practices. Changing existing patterns leads to high costs (Pierson, 2000). Therefore, the chances of compliance are expected to increase when existing patterns and power distributions are maintained. Changes can take various forms. Veto possibilities or discretionary room in decision making of the agency can be affected (Mahoney & Thelen, 2010). But (a part of) the constituents can also be affected (Miller, 2005), which will influence the urge for the constituents to pursue the reform.

Control refers to pressure in a literal sense, forcing agencies to behave in a certain way (cf. Dimaggio and Powell, 1983). The introduction of performance contracts under the threat of sanctions can serve as an example; agencies will weigh their interest in attaining targets versus receiving rewards or sanctions. In other words, control represents the instruments that the constituents have at their disposal to stimulate or punish the agencies. In line with Oliver (1991), a tendency to compliance is expected when legal coercion is possible and when consistency with common practice is high.

Finally, the Oliver (1991) points to the context in which an agency operates as a factor that influences its degree of compliance. The most important contextual factor is the relation between an agency and its parent ministry, which is already covered by the ‘constituents’ dimension. We will, therefore, not include this dimension in the analysis.

## **Method and Case Selection**

As described above, agencies can respond to institutional pressure, in this case new legislation, in different ways. We observe these responses at the managerial level; the strategic responses from organizational leaders are important. As the adoption and implementation of legislation takes a long time, a period of three years is studied, from 2008 up to early 2011.

Because the application of Oliver’s model to agencies is new and not all important variables are known yet, a case study design was considered appropriate (Yin, 2009). A selection of similar reforms was made in two countries: the Netherlands and France. The two cases studied are the introduction of KZBO and RGPP. The responses of two agencies per country will be analyzed. The selected agencies can be categorized as ZBO or the comparable EP (Alix and Van Thiel, 2005; see also Van Thiel, 2012). Agencies were selected that operate in a comparable environment in both countries. Surprisingly, only very few similar services are executed by comparable types of agencies in the two countries. The two agencies that were selected are in charge of immigration and scientific research. In the Netherlands these are the Netherlands Organization for Scientific Research (NWO) and the Central Agency for the Reception of Asylum Seekers (COA). In France these are the French National Research Agency (ANR) and the French Agency for the Protection of Asylum Seekers and Stateless (OFPRA).

NWO funds researchers at universities and institutes. It supports scientific research by means of subsidies and research programs. NWO has an annual budget of around 650 million euros (NWO, 2010). The ANR is its French counterpart, spending about 820 million euros annually (ANR, 2010). COA is responsible for asylum seekers reception in the

Netherlands. They provide accommodation for asylum seekers and prepare them for a stay, a return to their country of origin, or transmigration. They house about 20,000 people and have an annual budget of 500 million euros (COA, 2010). OFPRA handles asylum requests and protects refugees. They process about 40,000 demands annually and have a budget of about 32 million euros in 2010 (OFPRA, 2011). The budget difference between COA and OFPRA can be explained by the difference in their tasks.

Data were collected through content analysis and 27 semi-structured interviews with stakeholders and experts. Documents included official documents on the KZBO and RGPP, governmental, parliamentary and court of audit reports, and officially published documents by the agencies and ministries, including annual reports. Respondents were experts in the field or involved as stakeholder. Expert interviews were used to draw a picture of the cases and context. Stakeholder interviews took focused on the organizational responses. Interviews were conducted in different languages. Most interviews in France were conducted in French; all interviews in the Netherlands were conducted in Dutch. In two cases, the French civil servants were bilingual and we chose to speak in English. All English quotes in this paper have been translated by the authors.

### **Analyzing Institutional Pressure: KZBO and RGPP**

In this section, the newly introduced reforms will be discussed and analyzed considering their cause, the constituents, content, and control mechanisms. Based on this description and on the general hypotheses in the first part, several expectations are formulated. Firstly, when addressing the general institutional context in the two countries different mechanisms are expected to occur. Traditionally, France is known as a centralist or Napoleonic country, with strong presidential power (Cole, 2008; Pollitt and Bouckaert, 2004). Therefore, the country can be considered majoritarian. In contrast, the Netherlands are typically considered consensualist (Kickert, 2003; Lijphart, 1995). Pollitt (2006: 38) claims that majoritarian countries can introduce public sector change more easily than consensualist countries. Therefore, French agencies are expected to show more compliance with reforms than Dutch agencies.

## **KZBO**

### Cause

The Dutch reform was a lengthy process that was initially based on a desire by the Court of Audit and Parliament to ‘regain control’ over ZBOs (ARK, 1995; De Kruijff, 2011; Van Thiel, 2008). Ministers and ministries were less in favor of one charter law, which would mark the limits of ministerial responsibility more explicitly, reducing their discretion to avoid blame in case of poor agency performance. Protests by agencies led among others to the establishment of the so-called charter group (Schillemans, 2007). Mr. Van den Broek, civil servant at the Ministry of the Interior does acknowledge that: ‘The Charter Group has achieved a lot in weakening the original plans for the KZBO.’ The law was nevertheless introduced.

### Constituents

The most important actors in the KZBO implementation process are the Ministry of the Interior, the parent ministry of individual agencies, and the Ministry of Finance. All adaptations of establishment laws on existing or new agencies in line with KZBO are developed by the parent ministry but require the Minister of the Interior’s approval and signature. The Ministry of Finance wanted to use the KZBO to achieve more clarity in the budgetary frameworks of agencies.

### Content

In general, the KZBO has four main goals: to structure the large amount of individual arrangements; to clarify ministerial responsibility; to clarify financial control; and to enhance transparency in the number and functioning of agencies (Explanatory Memorandum KZBO, 2000: 4-5; Support team KZBO, 2007: 20). In the establishment laws for individual agencies, exceptions to KZBO stipulations are possible for example because an agency does not meet the criteria of the framework law or because stipulations do not fit with the legal type of agency (e.g. private law basis). In many cases, exceptions are made to continue existing

practices. The stricter financial regulations imply that the Ministry of Finance gets a greater control over the financial behavior of agencies. This affects the discretionary room that parent ministries had before. Furthermore, the responsibility of the parent minister will be stressed, and thereby reduce the room for maneuver in the agency.

The ministry of the Interior has published a register of ZBOs ([www.zbo-register.nl](http://www.zbo-register.nl), last visited 23-6-2011). In this register, 118 agencies (or clustered agencies) can be counted. The KZBO is applicable to 31 agencies (26%). For 35 (30%) of them, the introduction of KZBO is being prepared. For 49 (42%) the KZBO is not applicable and for 6 it is unknown. From those agencies, where the KZBO is applicable or in preparation, 29 (44%) have one or more exceptions. Most exceptions derive from article 22 (18 cases), stating that the parent minister has the competence to annul individual agency decisions. There are 9 exceptions from article 15, stating that an agency's staff is employed following the collective labor agreement for civil servants. Three agencies fall beyond the scope of article 12, stating that the minister appoints the board. Because these articles are contested most, they will be examined in depth in this study. In addition, we will look into the establishment of non-executive boards. KZBO does not mention such boards, but the Ministry of the Interior is very much opposed to them, says Mr. Van den Broek, civil servant at the Ministry of the Interior. Agencies that have or want a non-executive board appreciate the knowledge of board members about agency management and/or the field of operations.

### Control

The KZBO is a law and can thus be imposed upon agencies. Ministers can be held accountable by parliament for the implementation of the law. This is a concrete instrument for parliament in controlling the minister as well as the agency.

## **RGPP**

### Cause

The Pebereau report showed a fivefold multiplication of the French national debt between 1980 and 2005 being one of the major causes propelling the introduction of the RGPP

(Lafarge, 2007). The RGPP as it is scheduled now should deliver a decrease in expenses of 7.7 billion euros – although some argue that a cost reduction of 1.5 billion euros is probably a more realistic estimate (Lafarge, 2009, 2010). The RGPP has wide political support, mostly from the center right party.

### Constituents

The minister of Finance is most involved in an assembly that meets with several other representatives, mostly finance related officials and introduces the reforms (Bézès, 2011; Bouvier, 2008; Lafarge, 2007; Migeon, 2011). It is closely monitored by the President and Prime Minister (Bouvier, 2008). The involvement of the president in state reform is a new phenomenon in France. In the past, this was the prime minister's discretion (Bézès, 2011). At the ministerial level, the RGPP is monopolized by the budget ministry, bypassing the ministries of the interior and the civil service (Bézès, 2011).

### Content

The RGPP has three main objectives: the modernization of public management, the simplification of administrative processes, and quality improvement. It is also considered to be an extension of the new budgetary framework (LOLF); we will focus on the administrative side of the reform. Before the introduction, agencies and departments have been audited (Bouvier, 2008; Lafarge, 2007; Le Clainche, 2008). The RGPP has set one important goal: to replace only one in every two civil servants leaving (Lafarge, 2007). For many of those interviewed, RGPP is synonym to this one-for-two rule. Furthermore, the RGPP includes the introduction of clear objectives in performance contracts for agencies. These contracts contain goals and measurable indicators of success. Other measures include a reduction in operating costs of 10% in three years and a reduction in personnel costs of 1.5% per year (Millard, 2011). These four measures have been selected as focal point in our case studies. The performance based management system in the RGPP implies that the agency will have to operate within a stricter framework. Parent ministries will, therefore, obtain more control over their agencies.

In addition, a fifth measure is studied: the position of an agency's non-executive board. The representation of many actors, such as the financial unit of the parent ministry, the budget

ministry and more, has affected the transparency of relation or *tutelle* between the formal parent ministry and the agency. The RGPP seeks to improve this situation by appointing one single contact for all agencies led by a single ministry. On the agency side, if the agency is related to several ministries, one contact within the agency handles all the contact with the *tutelle* ministries (Millard, 2011).

### Control

Every year, agencies have to present the results as agreed in the performance contracts to the *tutelle* ministry and an interministerial committee (Millard, 2011). Parliament controls the agencies that are subject to the RGPP (Millard, 2011). But structural parliamentary control is absent; there is no general and comprehensive overview of reforms and results, and investigations are mainly conducted following scandals or incidents (Lafarge, 2009). In contrast to the KZBO, the RGPP is not a formal law. With the performance contracts, the parent ministry will get a concrete instrument to hold their agencies accountable.

## **Agencies' Preferences, Resources, and Responses**

This section discusses the results from the four agencies, first the two Dutch organizations and then the French counterparts. Tables will be used to summarize the agency preferences regarding implementation of the selected reform items, and whether they were in the end introduced in the agency or not. In some cases, actors changed their preference. These changes are included in the table in chronological order, i.e. an actor who first agreed, but later disagreed with a rule is indicated as 'yes, no'.

### COA

COA has strong ties with its parent ministry, which used to be the ministry of Justice but is now (late 2010) the ministry of the Interior. Respondents indicate that there is daily or weekly contact between the agency and the parent ministry. These strong ties can be attributed to the highly politicized nature of the asylum seeker policies. COA is the only organization that manages the care for asylum seekers in the Netherlands (legal monopoly).

TABLE 1 *Preferences and acquisition of new rules for COA*

Preference and Acquisition	Parliament	Interior	Finance	COA	Justice	Result
Ministerial Powers	n.a.*	yes	n.a.	no	yes	<b>yes</b>
Board (appointment and salary)	yes	yes	n.a.	no	yes	<b>yes</b>
Staff Conditions	n.a.	yes	yes, no	no	no	<b>no</b>
No Non-Exec Board	n.a.	yes	n.a.	no	yes, then no	<b>no</b>

\* not applicable.

As shown in table 1, COA disagreed with the parent ministry and the Ministry of the Interior to all four KZBO items under study. COA did not want the minister to be able to annul their decisions, they wanted their non-executive board to appoint the directors and determine their (financial) rewards. COA wanted staff conditions to be maintained, and most importantly, they wanted to keep their non-executive board with all its competences. For COA's director, Mrs. Albayrak, that was the most important issue:

'I considered a non-executive board with competences and statutory duties to be very important. [...] If we would get this board, then the rest of the law would be acceptable for us.'

The original management board, which was to become the new non-executive board, also favored their own existence. Mr. Besemer, a prominent member of this board, referred to several advantages of the board for the parent minister. He explains:

'Parliament has developed a tendency to discuss individual cases. When you have an arrangement in which the minister is responsible for finances and policy, and a non-executive board that stands for the minister, the latter has to care only about major issues.'

However, the ministers of Justice and of the Interior both agreed that the KZBO would allow a powerful non-executive board. Therefore, they proposed to install a non-executive board with reduced competences, which would become an advisory body predominantly.

The Council of State advised to revise this idea, however, and to return all competences to the non-executive board (RvS, 2009). Mr. Besemer says:

‘Only when the Council of State stated that a constitutional atrocity was created with this proposal, did the ministries become sensitive to our argumentation. [...] In the end, the minister chose for a non-executive board.

COA is dependent on the ministry of Justice, which did at first favor compliance with KZBO on this point, but using the advice of the Council of State as a strategic resource COA managed to convince its parent ministry to oppose compliance. Next, COA bargained keeping its non-executive board against compliance with the other reform measures, even though COA particularly desired an exemption from the right to annul decisions. This desire was supported by the ministry of Justice. In sum, COA’s response is a combination of compromise and manipulation.

The compromise constituted of the following. The non-executive board nominates candidate directors to the minister. Board members are appointed by the minister. The non-executive board agreed with these procedures, but COA did not according to Mr. Besemer. It was also agreed that the minister would determine the height of salaries. In the current political climate in the Netherlands, public officials are not allowed to earn more than the prime minister. This maximum is known as the *Balkenendenorm*. Mr. Besemer says:

‘We discussed very briefly about the salary. Politicians from left to right agreed that the *Balkenendenorm* should be used. At that point you end the discussion.’

Political support or legitimacy for this cap on salaries was so high, that it would be impossible not to comply with this rule.<sup>2</sup>

COA and the ministry of Justice agreed that the labor conditions should not be changed into the same conditions as for the civil service. Together, they explained to the Ministry of the Interior and the Ministry of Finance that it would cost the state a lot more money to change

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<sup>2</sup> At the end of 2011, Dutch media reported that Mrs. Albayrak did earn more than the *Balkenendenorm*, and she was suspended by the Minister of Immigration. These events took place after the interviews were conducted.

the labor conditions; the contracts COA uses include lower wages for lower ranking personnel than the terms that apply to civil servants. In so doing, COA and the parent ministry were able to ‘manipulate’ the interests of the two ministries that initially wanted compliance with KZBO on this point. Mrs. Albayrak states:

‘We are cheaper and more flexible than civil servants. [...] I think COA is an organization that is growing and shrinking, and I believe we should retain that flexibility.’

This argument was backed by the ministry as well. Mr. Visser says:

‘The ministry of Finance was against an exemption from the collective labor agreement for civil servants. They were very fundamental in their opinion and thought it not to be possible. At a given point in time they found out about the costs involved; that was the moment they renounced their initial objections.’

### NWO

Respondents indicate that the Dutch organization for scientific research NWO has a good relationship with the ministry of Education and Science. The agency does not have a monopoly on sponsoring research by universities and research institutes, but they control the greater part of public money for scientific research. They are, therefore, an important actor in the field. Neither the parent ministry nor NWO supported the introduction of the KZBO as such. Mr. Van Leeuwarden, policy adviser at NWO explains:

‘At first, when negotiations over the application of the KZBO on specific agencies were still going, NWO indicated to the ministry that they would rather not have it happen, because the agency has an independent position which we would like to maintain. [...] The minister, however, indicated that KZBO would be applied to NWO in a letter on 21st January 2008. Then, discussion was over. [...] During the negotiations over the application of KZBO on NWO, we tried to influence members of parliament. I am not aware of their response, as I was not working here at the time. But when we found out that it would bring us nowhere, we ceased our attempts to resist.’

The Gerritse Commission, who advised the minister of the Interior on the application of the KZBO, made it clear, however, that avoiding the law was not possible. Here, once more,

political legitimacy for the application of the KZBO to NWO was high enough to predict compliance.

Once it became clear that the KZBO was going to be applied to NWO, the agency felt a need to go through the introduction process rather quickly. This was sped up with the establishment of a new Ministry of Economic Affairs, Agriculture and Innovation in 2010, which would also oversee knowledge development and research. To avoid possible competition for competence between the ministry of Education and Science and the new ministry, a desire to secure competences of NWO in a law, says Mr. Van Leeuwarden:

'For the ministry, it is important to finish the introduction process as quickly as possible, because a competition between both ministries might occur. [...] When the law is passed, we are better protected against this kind of problems. After all, that what you have, is yours already.'

In general, most KZBO rules were in line with existing regulations for NWO. Existing practice was already 'modernized', as Mrs. Tempel, a civil servant at the ministry of Education and Science indicates:

'Very roughly summarized, the law for NWO was already so modern in our perception that the KZBO did not add much to as a modernization.'

Considering the competences of the parent ministry, the appointment and salary of the board, and the absence of a non-executive board, practice was in accordance with the reforms. Compliance was thus easily achieved. Nevertheless, it was suggested that NWO wanted to maintain the right (or influence) to appoint board members. For example, Mr. Van Leeuwarden indicates that:

'In the current NWO law, independence is guaranteed, and we want to maintain that independence. That is the only issue that is discussed. [...] Among other things, the appointment of the board is in close connection with independence..'

On the other hand, the parent ministry seems to have a somewhat different perception of the agency's autonomy. They consider the agency rather close to the ministry, which was

observed when looking at a non-executive board for NWO. There was not much discussion over the possible introduction of a non-executive board. In the past, NWO did not have one, and no desire to create one was found in this study. Mrs. Lieshout explains:

‘I think that we have a well-functioning and self-regulating system. They are not at that much distance away from us that we no longer know what they are doing. Therefore, I consider the necessity of a non-executive board to be non-existent; I would say it would be duplication.’

The competence of the minister to annul a decision made by NWO was there already before KZBO was introduced; consistency with existing practice led to compliance or as Mrs. Tempel says:

‘Within the ministry we have had a lot of discussion over the question whether a minister should have the competence to cancel a decision made by the agency, and still, that issue draws a lot of attention. There is, however, one simple background to why that provision holds for NWO, that is, it has been institutionalized in their former law establishing the agency. We now do not see any reason for an exception.’

The ministry of the Interior does not appreciate exceptions from the KZBO for agencies. In the case of NWO, however, an exemption was made for the labor agreement for the staff. In this discussion, the ministry of Education and Science sided with the agency, contesting the ministry of the Interior. This shows that the relationship between an agency and its parent ministry can be tighter than the relationships between ministries. The focal point for the ministry of Education and Science during the implementation of the KZBO was to protect daily routines in NWO. The accordance of the reform with the former law and practices eased this process.

TABLE 2 *Preferences and acquisition of new rules for NWO*

Preference and Acquisition	Parliament	Interior	NWO	Scientific Research	Result
Ministerial Powers	n.a.	yes	yes	yes	<b>yes</b>
Board (appointment and salary)	yes	yes	yes	yes	<b>yes</b>
Staff Conditions	n.a.	yes	no	no	<b>no</b>
No Non-Exec Board	n.a.	yes	yes	yes	<b>yes</b>

## OFPRA

In 2007, OFPRA was moved from the French ministry of Foreign Affairs to the responsibility of the newly created ministry of Immigration. In November 2010, the Ministry of Immigration merged with the ministry of the Interior, taking the agency with. The agency works in the field of immigration, which is a highly politicized field, and has a monopoly on its service. No other organization in France manages the applications of asylum seekers and immigrants. It is very important for the right-wing government to reach the targets concerning reform of immigration policy (*Secrétariat général du comité interministériel de contrôle de l'immigration* 2011). This gives the agency a strong responsibility in attaining policy goals. This could explain why some stakeholders indicate anonymously that the agency is focusing only on numbers, rather than on quality.

TABLE 3 *Preferences and acquisition of new rules for OFPRA*

Preference and Acquisition	Government	OFPRA	Ministry	Result
Mission Statement	n.a.	yes	yes	<b>yes</b>
Expenses	yes, then no	no	no	<b>no</b>
Staff	yes, then no	no	no	<b>no</b>
Accountability	n.a.	yes	yes	<b>yes</b>
Non-Exec Board	n.a.	no	no	<b>no</b>

Both the ministry and the agency supported a written mission statement. That would clarify the targets for OFPRA and assure the agency of a fixed budget to deliver its services. Therefore, the first mission statement was introduced in 2008 for a duration of three years. At present (mid-2011), a second mission statement is being prepared for the coming years.

The introduction of the RGPP, nevertheless, meant a different organizational culture in the agency, says one of the executives. Now all higher ranked employees have an individual performance contract except for the general director. Although the new situation changed the organizational practice, both parties supported implementation of the new rule.

The proposed reduction in expenses was a more difficult issue. The agency spends 21.5M Euros annually on salaries, about 66% of their total budget (OFPRA 2011). A cost reduction

would therefore mean a decrease in staff, and consequently, a lower capacity to handle immigrants and asylum seekers. OFPRA argued that a lower capacity would eventually lead to higher costs. Mr. Kamano, working at the ministry of the Interior explains:

‘We experienced annual increases of asylum seekers in double digits. And to prevent a stock of immigrants who have to wait before their file can be handled, the number of staff should not be decreased. A stock would increase the total expenses for this *sécretariat général*, and it would therefore increase the total costs for the French state.’

The agency thus found the parent ministry at its side. Taking into account that OFPRA is the only organization in charge of this task, they convinced the government of their position. In other words, the agency was in a position to use its resources to influence the ministry as a constituent. Together, OFPRA and the parent ministry convinced the central government of the disadvantages that a budget reduction would bring and made them change their vision. This is an example of manipulation as a strategy of non-compliance with reforms.

Improving agency accountability was supported by both the agency and the ministry; this rule was considered a legitimate way to account for spending public money. It should be noted that this answer could be truthful as well as politically correct. Respondents indicated that it did not change much in existing practices, and therefore the rule was easily adopted by OFPRA. Conformity with existing practices could explain the compliance with this rule.

A reduction of the non-executive board was not desired, neither by the agency, nor by the ministry. Civil servants at the ministry indicate that most decisions taken by the non-executive board are prepared by lower officials, and the official meeting is mostly a formality. This is confirmed by Mr. Gaeremynck, president of the non-executive board. He indicates that he does not know about internal affairs in the agency and follows the advice that is issued by the ministry’s civil servants. When asked, however, respondents indicate that they do not feel a need or priority to changing this practice.

ANR

The French research organization ANR has only very recently been created, in 2006. The organization is still being developed and is trying to find a place in the scientific landscape in France. ANR is subordinated to the ministry of Scientific Research, with which it is strongly linked; respondents indicate that all agency decisions are monitored by the parent ministry. Civil servants at the ministry feel very closely involved with the agency. These strong ties can be explained by the fact that the creation of the agency was not welcomed by scientists and universities. In 2008, for example, about 200 scientists occupied the ANR building to protest against its creation. The ministry could be seen as trying to protect its agency from external pressures.

TABLE 4 *Preferences and acquisition of new rules for ANR*

<b>Preference and Acquisition</b>	<b>Government</b>	<b>ANR</b>	<b>Ministry</b>	<b>Result</b>
Mission Statement	n.a.	Yes	yes	<b>no</b>
Expenses	No	No	no	<b>no</b>
Staff	No	No	no	<b>no</b>
Accountability	n.a.	Yes	yes	<b>yes</b>
Non-Exec Board	n.a.	No	no	<b>no</b>

There is not yet a signed mission statement, although it is desired by both the ministry and the agency. Deputy chief executive Mrs. Latare says:

‘Not having a contract is actually problematic for the ANR. [...] So we are actually put in a rather unfortunate situation not having such a contract, for it would clarify the management of our actions, with clear rules and objectives.’

Another reason for the absence of a mission statement is the quick growth of the agency, says one civil servant, responsible for the ANR at the ministry of Scientific Research:

‘A contract stating the mission of the ANR has thus been a priority since day one. A quick growth, however, prevented the contract from being signed immediately. From three persons in 2006, the ANR has evolved into an organization employing about 300 full time equivalent staff at present’

The recent creation of the agency and its quick growth – both institutional characteristics – explain that no mission statement has been introduced yet. Compliance is expected to occur soon though.

As a response to the 2008 credit crunch, Sarkozy decided to invest a lot of money in innovation. One of the instruments that the Sarkozy administration employed is a *grand emprunt*, a state investment of 35 billion euros. Almost 22 billion (63%) will be spent on scientific research and higher education in a project called *investissements d'avenir*. Deputy chief executive of the ANR Freyssinet states:

‘I do not feel political pressure to reduce our staff, partly because our role is still expanding due to our role in the *investissements d'avenir*, with a large increase of our responsibility.’

Apparently, there was still ample room for the agency to expand with the help of the parent ministry. Mrs. Latare says:

‘We have asked the *tutelle* ministry for an extra 30 civil servants, mostly scientists, in order to evaluate the results and impact of the studies we support. In 2009 we have been given these 30 extra people to reinforce the scientific staff.’

The measures taken in the RGPP considering the expenses for ANR thus lost their economic and political legitimacy, as the initial cause for the cost reduction was undermined by the new plans. Furthermore, the administrative expenses of the agency are considered to be low by both the agency and the ministry. Various respondents indicate that with about 200 fte staff, the agency is relatively small. Mr. Hagège illustrates:

‘The ANR is already very small, so it would be impossible to go ahead with a further reduction in staff after the internalization of the support units.’

Improvement of accountability and the reduction of members of the non-executive board did not involve a lot of discussion. Similarly to the OFPRA, respondents in the agency feel the urge to be accountable for the public money they spend, and they are ready to improve their methods. Mrs. Latare says:

'I don't think we will ever have one single contact at the ministry. If there will be one person as daily contact, the other persons or contacts won't simply disappear. [...] One other person has visited me to talk about a single contact, but I do not think a development toward a single contact will have an impact on the composition of the board; it won't become smaller.'

A reduction of the number of members in the non-executive board is not seen as a priority by any of the other respondents either.

## Discussion

Regarding the case of the KZBO, four important observations can be made. First, a large number of actors were involved both in the introduction and implementation of the law. Two coordinating ministries, Finance and Interior, initiated the law proposal. Parent ministries, the agencies themselves as well as an interest group representing agency interests were also involved. And finally, the Council of State played an important role, particularly in the debate about COA. Second, agencies were protected by their parent ministries against the reform. This can however also be explained as resistance by the parent ministries against influence by the coordinating ministries and/or parliament on 'their' agencies. For example, the ministry of Justice wanted to maintain a non-executive board at COA, which reduces the opportunities for intervention by parliament. A third observation is that non-compliant strategies were mostly used over issues that were related to power, not to money. For example, while the power of the non-executive board at COA was a hot issue, rules about the salaries of the CEOs were not. Fourth, both agencies (and their parent ministries) were successful in resisting reforms that they considered undesirable (non-executive board in COA, labor agreement in NWO) either by striking a compromise or other forms of manipulation.

Regarding the RGPP case, we can also list four important observations. First, the number of actors involved is smaller than in the Netherlands. The design of the reform was led by the President and the Prime Minister, while the implementation was left to the parent ministries. Other actors came into play once, when budget cuts were imposed on OFPRA. This was however quickly neutralized as the parent ministry (Interior) was successful in obtaining the extra funds. Second, like in the Netherlands, agencies were protected by their parent

ministries against the reform, see especially the ANR. Third, disagreement over the introduction of the RGPP seemed to be limited to budget issues. The performance based control of the agencies was not contested. Although this result might be an effect of socially desirable answers from respondents, we were told that both agencies agreed to the introduction of performance contracts. Fourth, manipulation was the primary strategy to resist the RGPP in the case of OFPRA. Contrary to the Netherlands, there were no compromises made.

A comparison of the two reforms shows some similarities and some differences. In both cases, compliance was facilitated – as predicted – by a high degree of legitimacy and consistency with existing practices. Issues that were already in place, or not considered very important by the agencies, were not contested.

Differences were found in the content of the reforms and in the number of constituents. Because the content of KZBO and RGPP is different (see above), French and Dutch agencies had a different focus in their resistance. While the Dutch agencies focused on power issues , French agencies focused on financial issues. This is in line with the emphasis on financial reforms in France and in RGPP. So, differences in the content (or cause) of reform lead to a different type of issues that are contested.

The number of actors in the Dutch reform case was larger than in the French reform case. A larger number of constituents increases the opportunities for resistance, particularly through compromises, as the power distribution becomes more diffuse and the opportunities for unilateral coercion become smaller. Such a strategy was indeed found more often in the Netherlands, for example when COA could use the advice of the Council of State (the sixth actor) to reach a compromise and keep its non-executive board. The higher number of actors in the Netherlands probably fits with its decentralized politico-administrative traditions, just as compromises fit in the corporatist Dutch traditions (Lijphart, 1995). The French centralist tradition exerts more opportunities for coercion and control, and predicts a higher degree of compliance. This does indeed seem to be the case, at least for the two agencies that were studied.

Most striking is our observation that, in both cases, parent ministries and agencies joined forces against a reform and/or its initiators. This points to a complexity that is not included in Oliver's model; apparently, some actors can take on multiple roles, being both a 'sender' of a reform message and a 'receiver'. Agencies can use this multiplicity of the role of their parent ministry as a resource in resisting reform pressure, provided that they have a good relationship with their parent ministry.

## Conclusion

Agencies and ministries react strategically and in different ways to reforms. We have seen several examples of non-compliance, through different strategies (compromise, manipulation). Such reactions warrant a more complex explanation than principal-agent models or delegation theory can offer. Oliver's model (1991) has demonstrated to be useful in this respect. Moreover, the contribution that resource-dependence theory can make to explaining agency autonomy and control is considerable. However, some adaptations should be made, in particular to the 'constituents' element of the model. Actor constellations can be more complicated than assumed so far. Both the multiplicity of actors (cf. James & Van Thiel, 2011) and mutual interdependencies (cf. Millar, 2005) play a role. Agencies are, indeed, dependent on their parent ministries, but this relationship is reciprocal. Agencies can therefore use parent ministries as a resource in resistance against reforms, and vice versa.

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