

Understanding Organizational Reforms in the Modern State: Specialization and Integration in Norway and France

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This article examines the challenge Norway and France face in coordinating specialized government activities after 10 years of comprehensive reforms. The focus is on the tension between territorial and sectoral specialization and between vertical and horizontal specialization. We describe both sector-specific administrative reforms and more overarching general reforms, looking at similarities and differences in the reorganization choices made by the two countries and also at what drives change. We argue that a combination of factors is required to explain outcomes. These factors include not only home-grown reforms but also sectoral challenges, diffusion and learning from abroad, adaptation to the financial crisis and budget deficit, and choices made by powerful political executives. Sometimes these factors work together and reinforce each other, producing radical reforms; at other times they have a mutually constraining influence, resulting in only minor changes.

Introduction

The New Public Management (NPM) movement that became dominant internationally from the 1980s has considerably challenged the principles and the related organizational forms of contemporary government administrations. Introduction of the NPM ideas of greater autonomy, fragmentation, disaggregation, and proliferation of public administration (Lægneid and Verhoest 2010) increased the cross-sectoral challenges facing states and changed modes of control. NPM reforms addressed mainly vertical specialization (structural devolution and agencification) and horizontal specialization (single-purpose organizations) but had little to offer to solve the much bigger problem of horizontal coordination. This flaw triggered or was accompanied at the same time by a second wave of administrative redesign that began in the late 1990s, ushering in what is sometimes known as the “post-NPM” era. This second wave of structural reforms addressed central control and horizontal coordination issues and set about introducing more integration into public sector organizations via various

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forms of mergers or cooperative arrangements (Christensen and Læg Reid 2010), as illustrated by the British joined-up government initiative (Bogdanor 2005).

These conflicting trends on the long term have somehow complexified and blurred our understanding of organizational redesigns where too simplistic stereotypes have often prevailed. New Zealand and the United Kingdom were, for instance, first associated to major processes of agencification. Recent waves of "joined-up" then blurred these characterizations. In other cases, the global and longitudinal organizational transformations of many states were unequal among countries and remain less clear or blurred. This is the case of Scandinavian and Napoleonic countries. Analyses providing a global and diachronical map of organizational reforms within countries on a midterm period and in comparative perspectives are needed in order to understand organizational changes in time.

With this perspective in mind, this article proposes to compare the transformation of the French and Norwegian administrative architecture. Our objective is twofold: offering a fine-grained and comparative characterization of the many organizational reforms that took place in France and Norway since the late 1990s, and explaining these choices by using a configurational approach that combines external pressures, political factors, and domestic historical-institutional legacies.

Because of these complexified and blurred organizational maps, we apply a mixed system research strategy (Frendreis 1983) combining most different systems design and most similar systems design. In a mixed-system strategy, the countries will vary along both the independent and the dependent variables. This strategy has been used to compare administrative reforms in Norway and the United States (Christensen and Peters 1999) and Scandinavia, Australia, and New Zealand (Christensen and Læg Reid 2001). We believe this in-depth analysis of the organizational trajectories is specifically useful to provide a more complex design of reforms that occurred in France and Norway. By using a mixed system research strategy, our purpose is to do this comparison not by overemphasizing the differences on an *ex ante* perspective but by exploring more systematically the similarities and differences both in the organizational outcomes and in the key explanatory factors.

On the one hand, France and Norway are quite different on the dependent variable because the dominant organizational form that prevailed in each country was not the same: Norway has a long tradition of agencies and has reinforced this trend while France, with strong and resilient state local units, has only "agencified" through ad hoc or sector-based decisions. There is also a major importance of decentralization trends in France, which has no equivalent in Norway. We want to account for these differences, but we are not so much preoccupied with characterizing the two systems on as many similar, independent variables as possible. There are some similarities however. The Napoleonic influence was historically quite strong in Norway and generated some similarities. The main one is

that both countries have developed strong competing tensions between the principle of ministerial responsibility (with strong specialization by sector) and the principle of local self-government (with specialization by territory). Norway, as most continental European countries, has a prefect at regional (county) level. The Norwegian prefect is a senior civil servant, and the main tasks for this servant are to control local governments in the county and also serve as a liaison officer between central and local government. The Norwegian prefect is though weaker than the French one. Benefiting from the advantages of a few cases perspective, our claim is to identify a configuration of causal dynamics that produce the organizational outcomes. We focus especially on three explanatory factors—political factors, institutional features, and external constraints. Norway and France differ significantly along most of these factors. Compared to Norway, France has a stronger and more powerful political core executive. The financial and budgetary pressure is stronger in France than in Norway, while the institutional pressure from international reform ideas are more equal in the two countries.

On the other hand, our design has some similarities with the most different system method in that we focus on variations on quite a limited number of independent variables that may sometimes explain, because of one key similar explanatory factor or to some specific combinations, similarities in the dependent variable. First, Norway and France are usually described as late reformers where NPM-oriented organizational changes were less frequent. Both countries were impacted by similar contents of administrative reforms: performance management, decentralizing trends, and changes in structures mixing of agencies and mergers. Second, the importance of post-NPM reforms through mergers was specifically important in both countries, contrasting the relatively weaker influence of NPM recipes. Issues of coordination and integration were more up front in Norway but also quite visible in France by the early 2000, although with sharp differences in process: France has applied an overarching reform strategy of mergers by 2007, specifically affecting its state local units, while the Norwegian reforms have been more gradual and more sector and policy specific.

To fulfil this research design, the article is divided into four parts. First, we present the theoretical approach by outlining some explanatory factors. Second, we describe the national contexts of Norway and France by focusing on specialization and coordination. Third, we present and systematically compare contemporary reforms in the two countries. Fourth, we explain the organizational reform by focusing on political, institutional, and environmental factors.

Theoretical Approach

Comparing organizational changes in different administrative systems and in diachronic perspective requires a common grammar. Here,

specialization and coordination are the two concepts we use to specify our main dependent variables.

Specialization

We will first distinguish between specialization by purpose/task/sector and specialization by territory/area/geography (Gulick 1937) as well as between vertical and horizontal specialization. By vertical specialization we mean differentiation of responsibility on hierarchical levels, describing how political and administrative tasks and authority are allocated between forms of affiliation (Lægreid et al. 2010). Vertical specialization can take the form of decentralization initiatives, structural devolution, autonomization, or agencification, meaning the transfer of responsibility from units close to the political leadership to units that are further away from the political national executive. Vertical despecialization implies movement in the opposite direction—that is, moving responsibilities closer to the central political leadership. By horizontal specialization we mean the splitting of organizations at the same administrative level, for example, splitting a ministry into several ministries. Horizontal specialization focuses on how tasks and authorities are allocated between organizations at the same hierarchical level, for example, between ministerial areas. Horizontal despecialization implies merging organizations at the same administrative level.

Coordination

The article has a dominant focus on specialization/despecialization, but the relationship between specialization and coordination is also a crucial issue to address in order to compare the organizational changes in the two countries. Vertical coordination is concerned with the coordination of various administrative levels, for example, between ministries and subordinate authorities and between central and regional authorities. Horizontal coordination concerns coordination between policy areas or sectors such as health, education, the environment, or public transport at the same level—be it the central, or regional level (Christensen and Lægreid 2008). There is also a distinction between positive and negative coordination (Bouckaert, Peters, and Verhoest 2010; Scharpf 1997). While negative coordination is a minimal form of coordination aiming at minimizing conflicts, positive coordination is more holistic, focusing on building up coherent and integrated policies and means. Negative coordination entails actors agreeing not to harm each other's programs or policies, whereas positive coordination is more about actually working together. Even if coordination is generally seen as a good thing, the wish to coordinate is often greater than the wish to be coordinated. Everyone embraces coordination as long as it does not involve its own organization.

The relative importance of these coordination mechanisms within administrative systems may vary over time and between different countries. One reason why a given coordination mechanism may become more or less important is a change in the principles of organizational specialization. The relationship between specialization and coordination might follow a stimulus-response pattern (Bouckaert, Peters, and Verhoest 2010) and normally more specialization requires more coordination.

To understand and explain the reform trajectories and the organizational choices in the two countries, we regard reform processes as a complex and configurational mixture of *political factors*, *domestic historical-institutional legacies*, and *external pressure* that constrain the initiatives and the leeway of political and administrative executives when committing into active administrative reform policies (Christensen and Lægread 2001).

First, the power of and initiatives taken by the political executive have a crucial role to play in organizational choices as suggested by many authors. The importance of political issues has been emphasized by rational choice theorists: They stress the saliency of responsiveness and political control in redesigning public organizations (Miller 2000; Moe 1989). Within the constraints spell out by external pressures, the existing national historical-institutional context and different constitutional features, political leaders have varying amount of leeway to launch and implement organizational reforms. Many researches emphasize this crucial weight of political strategies in the choices for agencies (Christensen and Lægread 2007; Van Thiel 2004; Yesilkagit and Christensen 2010), while this political dimension has been less identified in mergers (for an exception, Bezes and Le Lidec 2010, 2011) where dominant explanations have insisted in the objectives of reinforcing coordination. The political administrative executives' identities, resources, and capacity for rational calculation and political control are to a great extent constrained, but also enabled, by environmental and historical-institutional features. In short, researchers have identified the political dilemma at the heart of structural choices: a balance between autonomy (supposed to bring more expertise and less political risks) and political control.

Second, organizational changes take place in historically institutionalized contexts and thus reflect the constraints exercised by the structuring and inherited institutional arrangements and their defenders. The historical-institutional legacy of an administrative culture as well as its specific institutional arrangements both have an independent effect on contemporary reform trajectories (March and Olsen 1989). Embedded historical principles of specialization, forms of division of labor between units and ministries within the state, modes of coordination, and types of hierarchies are solid institutions, which have many constraining, filtering, and resource-distributing effects. Once established, they become an essential part of the functioning of a national administrative state and produce legacies. Political and administrative institutional arrangements reflect the development of strong interlinkages among actors over time on specific

rules and structures, which have developed through times and institutionalize the forms of specialization, coordination, and hierarchy. We expect that existing institutions will influence the perception of problems and the limitation of alternatives within the reorganization-making process but will also inform the structure of choices (Thelen 2003).

Third, the external technical and institutional environment also matter. First, financial pressures in the influence of the international environment promote modern administrative reforms. Economic and financial trends are well known to have strong implications for state organizational forms, possibly leading to administrative restructuring programs in order to provide more efficient policies, economies of scale, reduction of costs, and drastic cuts in public expenditure. Second, public organizations also adopt formal structures that embody and conform to “myths of rationality” (“best organizational forms,” rationalistic models promoting hierarchy, unity, purposefulness, and efficient action) that are part of the organizational field they belong to and which groups in this global “institutionalized environment” (Meyer and Scott 1994) consider to be rational, efficient, fair, and reasonable standards. Here, the adoption of a new organizational form strongly relies on processes of diffusion of these new templates through various networks or epistemic communities. In this “myth perspective” (Christensen, Fimreite, and Læg Reid 2007; DiMaggio and Powell 1983), public organizations are seen to be part of institutionalized environments that comprise many other similar organizations and where new rational modes circulate through various structuring transnational networks (political, professional, etc.).

Organizational reforms in the public sector are a complex interaction between these different features. In this article, we show how these three explanatory logics work together and influence one another with a configurative perspective. Our claim is that organizational changes affecting both division of labor and coordination are shaped by processes where relationships between political strategies, institutional constraints, and environmental pressures prevail (Katznelson 1997). Our dynamic configurative approach is aimed at paying attention to these forms of interactions. In our explanatory part, we will first put emphasis on the importance of political control over the reform processes as this dimension appears to be the most structuring. From then, we will show that and how political issue varies between the two countries depending on the interdependent influence of external pressures and the historical–institutional/polity context. But first we will give a brief outline of the historical–institutional context in the two countries.

Historical–Institutional Context: Polity Features, Specialization, and Coordination

The historical ties, polity features, and institutional administrative arrangements that characterize the Norwegian and the French states

are important to explain how changes have occurred in each country over the last two decades. There are some main differences and similarities between the Norwegian and French administrative system regarding specialization and coordination.

In *Norway*, the general Norwegian policymaking style is made of peaceful coexistence and “revolution in slow motion” based on common interests and consensus. The multiparty system and proportional representation in multimember electoral districts tend to result in negotiations. In these negotiations support is sought from different parties involved in finding compromises. Norway has strong specialization by sector and a clear separation between central and local government. The dual principles of ministerial responsibility and local self-government solve some coordination problems and produce others (Fimreite and Læg Reid 2005). Positive sector-specific vertical coordination occurs within each ministerial area from central to local state level. Territorial coordination within each county municipality is also rather positive. The main coordination problem in the Norwegian political-administrative system is between ministerial areas and between political-administrative levels (state-local government). The political focus on a specific area of responsibility is strong, and consequently the challenges of coordination across ministerial areas are considerable, also at the political level.

In *France*, the political leadership is characterized by a more elitist administrative culture and a more confrontational policymaking style where long periods of institutional inertia alternate with radical, sudden, and disruptive reforms. The French semi-presidential system and the use of majority electoral rule give the executive, and specifically the President and his government, the power and authority to take unilateral action at the policy formulation stage, without a specific need for prior consultation with stakeholders. This policy style has been traditionally described as a “heroic” or a “crisis-related” (Crozier 1963) mode of change. However, this is just one aspect of the French process, which is more often dominated by periods of “institutional inertia” (Hayward 1976) characterized by strong institutions and considerable interdependence and accommodation due to the constraining influence of veto-players. France is also characterized by strong ministerial and sector-based specialization with many ministries (an average of 18 ministries and between 4 and 30 delegated ministries and state secretariats), about 150 central general directorates, and a large number of ministerial territorial units functioning in “silos.” This has generated positive vertical coordination inside ministries but also strong fragmentation due to the big number of organizations. Interministerial coordination, both at the center and at the territorial level, has always been a problem, but the French state has also developed stronger coordination and integration mechanisms than Norway, specifically activated in periods of crisis and for specific transversal public issues (Bezes and Le Lidec 2011; Hayward and Wright 2002). These main mechanisms have historically been politicization (Rouban 2004) and ad hoc

coordination committees and units (the National Planning Commission, the Delegation for National Planning and Regional Policy, etc.) at the central level. At the local level, coordination has always relied on the major role played by the Napoleonic institution *per se*, the prefects (Grémion 1976; Le Lidec 2006). Prefects have historically been the integrative force at the local level under all political regimes (through their repeated interactions with local politicians) and a robust political “driving belt.” As central government’s appointees and representatives on all matters, the role of the prefect has been crucial as director of the local state field services and main “adaptor” to local demands because the prefect constantly interact with local politicians, internalized their will in the implementation process, and arbitrated between the sector-based ministerial units. The French administration is also characterized by strong interdependent relations between central government and local authorities: They coproduce public policies with high coordination costs.

We will argue that Norway and France have both developed strong vertical specialization, but horizontal specialization is stronger in France than in Norway. Concerning the mode of coordination, both administrative systems have major problems of interministerial coordination at central level owing to ministerial silos, although the French system seems to have more informal mechanisms offering a limited counterbalance. This coordination problem is also stronger at the regional level in Norway than in France because the Norwegian prefect has less power than the French one. However, the important horizontal specialization of the French administration at regional level, embodied in a large number of state local units, generates more fragmentation than the Norwegian pattern with a rather small central government and a limited number of agencies. The Norwegian administrative system is also characterized by a clear separation between central government and regional authorities, paradoxically generating fewer problems than the French interdependent system.

Comparing Organizational Reforms in France and Norway

Norwegian Reforms

The Reform Mode. The NPM reforms in the Norwegian civil service started slowly in the late 1980s and gained momentum from the mid-1990s onward (Christensen and Lægveid 2001; Olsen 1996). The Norwegian approach to NPM reforms was pragmatic and espoused mainly the managerial tools of NPM: Management by Objectives and Results, increased structural differentiation of the roles and functions of government, structural devolution to agencies and state-owned companies, and increased managerial autonomy. In the period 2001–2005, however, the Conservative-centre government adopted some major ideas from the NPM movement. After the center-left government took office in 2005, more program-oriented reforms focusing on specific policy areas were

introduced. Some features of these reforms may be categorized as post-NPM.

In the case of Norway, we generally see dual processes of vertical specialization and horizontal despecialization at work, especially in the 1990s (Læg Reid et al. 2010). The general picture defines a movement of organizations further away from the central political authorities combined with mergers of similar types of organizations to increase coordination. This can be seen as a coevolution of reform ideas and administrative practice producing hybrids and complex organizational solutions.

The center-left majority government that came to power in 2005 ran pretty much on an anti-NPM ticket arguing that NPM reforms should be stopped or modified because of their negative consequences, such as fragmentation, proliferation, and reduced political control. This view was particularly interesting coming from the Labour Party, which had previously been seen as supporting NPM. A crucial question is whether the anti-NPM rhetoric actually resulted in major changes. Today's administrative policy in Norway is ambiguous. It is fair to say that the pace of NPM has slowed down but has not been reversed. What we see are post-NPM features supplementing previous NPM reforms.

Vertical Specialization and Despecialization—Agencification and Reassertion of the Center. In the 1990s, structural devolution became a major reform trend in the central administrative apparatus in Norway. The first dominant element was internal structural devolution—ordinary agencies were given more autonomy and new independent central agencies were established. Some organizations were also moved from central to regional government. Part of this structural devolution also took the form of granting regulatory agencies more formal autonomy than the ordinary agencies mentioned above. This was combined with an increase in horizontal specialization of the roles and tasks of agencies, according to the principle of “single-purpose organizations.” There has, however, been an unstable balance between autonomy and control. Three examples illustrating these dilemmas will be given in the following.

In 2001, a major reform of the *central immigration administration* took place in Norway. The Directorate of Immigration was given more formal autonomy, and a new body was established with a lot of formal autonomy—the Immigration Appeals Board. After the reorganization, the political executive could no longer interfere in ordinary individual cases. Steering was to be done from a distance, via general policy directives, thus furthering professional autonomy. After this reform was implemented, it soon became clear that the minister was not satisfied with the situation. In 2005, she therefore launched a reorganization process to exert more control. Under the current Red-Green government, the control measures have been tightened still further (Christensen and Læg Reid 2009). The latter efforts do not seem to have reversed the main features of the first reform, but they do represent an attempt to weaken some of the autonomy

in the reform of the immigration administration. It represents a case where agencification or vertical specialization has been followed by recentralization or vertical despecialization.

Another case for increased vertical specialization is related to regulatory agencies. In 2003, the Conservative-centre government proposed a *regulatory agency reform* inspired by the Organisation for Economic Co-operation and Development (OECD) model (Christensen and Læg Reid 2007) that had two main components. One was a proposal for structural devolution that would make the regulatory agencies more independent and the role of a regulatory agency more specialized and less ambiguous. The second main element was to relocate the chosen regulatory agencies, that is, move them out of Oslo. After a tug-of-war between the minority government and the opposition, the relocation was agreed on, but it was decided that the devolution principle should not be applied to all regulatory agencies.

A third reform addressing the issue of vertical specialization and despecialization was the *hospital reform* in 2002, where responsibility for hospitals was transferred from the counties to the central government. The reform centralized the ownership function. Five regional health enterprises with separate professional boards were however established, and responsibility for hospitals was moved from the county municipalities to a new administrative territorial arrangement subordinated to the line Ministry of Health. The case is thus an interesting example of administrative decentralization and political centralization (Læg Reid, Opedal, and Stigen 2005). A small part of the hospital reform was reversed when the center-left government came to power in 2005, because it brought politicians back onto the boards of hospitals.

It can be said that there has been a general trend toward increased agencification and vertical specialization, but especially in politically salient areas such as immigration, health, and regulation, it seems to be difficult for politicians to grant the agencies extended autonomy and abstain from political control and interference. An important issue in the Norwegian case has been the one of political control and vertical coordination, which has been somehow undermined by increased vertical specialization, as illustrated by the immigration case. Vertical despecialization was applied in sectors where local authorities (county councils) manage policy (here, hospitals). This is a major difference to the French case where no recentralization from the local authorities to the state has occurred.

Horizontal Specialization and Despecialization—and Coordination Efforts. From the mid-1990s, Norway faced a twofold process concerning the horizontal dimension of specialization. On the one hand, when different functions were fulfilled within the same organization, reforms promoted horizontal specialization by splitting integrated government department services into single-purpose organizations. Typically, separate bodies for regulation and scrutiny, for service delivery, for policy advice, and for infrastructure were established.

On the other hand, there was also a process of horizontal despecialization going on whereby different organizations that fulfilled the same function or had similar tasks were merged. This concerned regulatory tasks, such as when five regulatory agencies were merged into a single regulatory food agency, and service provision tasks, such as when different types of higher education organization were merged into university colleges. This kind of horizontal despecialization thus typically takes place internally within a ministerial portfolio and rather than externally across sectoral boundaries. Two examples illustrate this process, one of which was a success, while the other failed.

In 2005, a reform of the Norwegian *Welfare Administration* was approved by the Parliament. The centerpiece of this reform was a merger of the employment administration, represented by the Directorate of Labour, and the National Insurance Administration into a single new labor and welfare agency, the NAV, represented on all levels. It was also decided that a new local frontline service should be organized—a one-stop shop—comprising of a partnership between the NAV and the social services—a municipality responsibility in Norway. Although controversial (Christensen, Fimreite, and Læg Reid 2007), the reform was rather successfully implemented. The holistic aspect of the reform was central. On the central level, the NAV reform implied extensive horizontal despecialization and has probably tilted the balance more in the direction of central control (Fimreite and Læg Reid 2009). In some cases, however, the merger appeared to be politically sensitive and problematic.

The case of *internal security* illustrates the difficulties of horizontal specialization. In 1999, a process was launched to reorganize the central apparatus for internal security. A public commission assessed the vulnerability of Norwegian society and proposed ways to improve vertical and horizontal coordination in the security administration. The suggestion was to establish a new ministry of internal security that would merge the various agencies in charge of functions viewed as interdependent. These recommendations were not, however, approved by the government in the White Paper presented to parliament in 2002, and most of the bodies and actors involved refused to be merged into one organization. The process resulted in only minor changes in the security administration (Læg Reid and Serigstad 2006). The compromise solution was to strengthen the coordinating responsibility of the Ministry of Justice. The Ministry has gradually increased its cross-ministerial responsibility in this policy area, but it is still weak. The main principle of individual organizational responsibility for internal security based on sectoral specialization trumped the need for stronger horizontal coordination across ministerial areas.

These two examples of recent cross-sector reform initiatives show that it is easier to achieve such integration within a ministerial portfolio than across ministerial areas. During the first term of the center-left government elected in 2005, the problem of interministerial coordination also became a higher priority on the political agenda. After the government

was reelected in 2009, the prime minister's office was strengthened by the appointment of a special minister for interministerial coordination—a new construction in the Norwegian central government.

Significantly, another kind of vertical specialization, involving political decentralization combined with horizontal despecialization, failed in Norway. For the center-left government, a regional reform was a central element in the government declaration in 2005. The government wanted to merge 19 counties into five or six larger regions and transfer responsibilities and tasks from central government to the new regions. As for the counties, the new regions were to be polities with their own elected politicians and councils. The proposal met resistance from the administrative and political executive in the counties, and it was also considered too ambitious to simultaneously merge counties and decentralize responsibilities. Instead of an extensive reform, the Norwegian government ended up keeping the 19 counties as they were but delegated some additional tasks to them, such as responsibility for regional roads. This reform tried to enhance territorial vertical specialization at the expense of sectoral specialization but failed.

French Reforms

The Reform Mode. Like in Norway, the influence of NPM recipes on administrative reforms in France increased gradually from the late 1980s but was only significant in transformative policies in the early 2000s (Bezes 2009, 2010). In contrast to Norway, the recent French reforms were rather transversal and consisted of initiatives from the center extending to all sector-based ministries.¹ In 2001, the reform of the French budget procedure (called *Loi organique relative aux lois de finances* [LOLF]) systematically adopted many internationally dominant instruments of performance management and imposed them on ministries as a new mode of control. In 2007, the Fillon right-wing government and the newly elected President Sarkozy launched a General Review of Public Policies (RGPP) with explicit references to the Canadian Program Review initiated in 1995–1996 and to the UK's 1999 Comprehensive Spending Reviews. The RGPP claimed to be engaged in “rethinking the state” in response to the fiscal imperatives of state debt and the state deficit. A major program of mergers affecting all ministries was decided concerning central administrations but also, even more systematically, the territorial state and its ministerial local units.

Vertical Specialization and Despecialization and Implications for Coordination. During the 1990s and early 2000s, the process of *agencification* remained unsystematic and limited compared with other European countries (United Kingdom and the Netherlands). As usual in the French context, the creation of new autonomous public bodies dominantly took the legal form of the *établissements publics*, used since decades for many already existing autonomous public bodies (Lafarge 2011; Rochet 2002).

On the one hand, newly created agencies were set up since the 1990s to respond to social or economic demands or to face the growing issues of risk regulation, often in crisis situations. The health and risk sectors have been the privileged site for the creation of agencies over the last few years, with the aim of ensuring that these bodies would be more independent of political control (Benamouzig and Besançon 2005). On the other hand, new agencies were tasked with new functions and moved away from their initial ministries or institutions. New agencies were rare in the four key ministries of state (the Interior, Justice, Defence, and Foreign Affairs), but numerous in Agriculture, Social Affairs, Culture, and Research, within this legal form of *établissements publics*. The growing number of agencies resulted in overlapping responsibilities and poor cooperation between agencies as well as between agencies and traditional state services.

Another move toward increased vertical specialization was generated by the 2003–2004 decentralization wave that transferred new competencies to the regional and *départemental* governments. Decentralization policies have been politically attractive for the last 30 years in France and still were in the early 2000s. Supported by local politicians and benefiting from their influence on the policymaking system, decentralization has remained high on the French political agenda. The approval of a new Decentralization Act in 2003/2004, whereby more competencies and 128,000 civil servants were transferred from state to local governments (regional and *départemental*), illustrates this fact (Le Lidec 2007).² Like in Norway, however, the idea of rationalizing the structures of regional government by merging or reducing the *départemental* level was unlikely to succeed because local politicians are acting as strong veto players through the Senate and multiple office-holding (Le Lidec 2009, 2012). Political decentralization only tends to be supported when it is dissociated from the rationalization of local government structures. Owing to the two waves of decentralization, many public policies are now mainly implemented by local authorities and not by the state, a high number of them being coproduced by the state and the local governments.

Contrary to Norway, no process of vertical despecialization to central government occurred in the French case where decentralization policies have been the favorite reform route. However, a process of vertical despecialization has taken place recently within the French territorial state. The first emergence of this trend appeared for specific sector-based policies. In 1996, regional hospital agencies were developed with power of accreditation and the remit to merge public hospitals. Endowed with increased powers to control hospitals in 2003, these regulatory health-care organizations are designed to reduce the autonomy of nonstate actors and develop regulatory standards and contracts over hospitals (Hassenteufel 2008). This process of vertical despecialization was intensified within the RGPP in relation to another dominant horizontal despecialization movement through mergers at the *départemental* level. It was decided to shorten a bit the vertical chain of command and to tighten the *départemen-*

tal organization of state services by merging units and creating three interministerial directorates. The organizational change defines an implicit objective to significantly decrease the number of “front office agents” in local ministerial units at the *départemental* level. Several “back-office” agencies grouping together highly qualified bureaucrats with professional expertise were created at different levels.

Vertical specialization and despecialization within the French public administration have implications for coordination issues. Two types of coordination mechanism—hierarchical through formal rules and political through politicized appointments and a reaffirmation of the political executive—have been reactivated. On the one hand, a new formal hierarchy between administrative levels (regional and *départemental*) was introduced in 2007–2010, combined with the functional specialization of state field services and related to a repositioning of the prefects. The regional level was thus strengthened at the expense of the *départemental* one. The regional prefect is now considered to be the pilot, coordinator, and arbitrator in state interministerial action. Regional prefects have gained stronger formal powers over the new merged regional units (see below) but also over other ministerial services. A new hierarchy was also introduced within the prefectural corps: The regional prefect is now supposed to have more authority over the prefects of *départements*, although the latter have reinforced their interministerial powers. This reform has reinforced a hierarchical mode of coordination that has been reactivated through the creation of new General Secretariats within the main ministries (Chevallier 2005).

On the other hand, political coordination mechanisms have been reaffirmed. This is related primarily to a change in executive relationships. At the level of the political executive, the French system granted greater powers to the president. Under President Sarkozy, there has been a “presidentialization” of the political leadership. These changes in the political leadership have been driven by various kinds of dynamics reinforcing the political modes of coordination that tighten the central steering of ministries through political appointments, the growing influence of political advisers, and the creation of new presidential units (Bezes and Le Lidec 2011). Several new organizations have been put under the supervision of the Office of the Presidency and are therefore accountable to the president.

Horizontal Despecialization and Specialization and Implication for Coordination. Another dominant and most systematic reform trend has been toward horizontal despecialization through mergers, while some specific cases of horizontal specialization of state management tasks have also taken place. From the late 1990s, state services related to a specific function were given greater autonomy to fulfil operational tasks at a national level and were given the new status of “Offices with National Competence,” a new legal form created in 1997. The aim of this process of horizontal specialization was to create new specialized agencies at the national level in order to offer increased competency and economies of

scale and to professionalize the delivery of specific managerial tasks within the state. The agency "France Trésor" (AFT) was created in 2001 with responsibility for managing the national debt (Lemoine 2011). Several new organizations followed, including a national agency for delivering official documents (passports, ID cards, etc.), a national organization for wages, a state property agency, and a state purchasing service. The creation of these new organizations brought about the horizontal specialization of the interministerial, internal, and "back office" functions of the state. However, this trend remains modest and the autonomy of these organizations limited.

By contrast, in 2007, after the presidential election of Nicolas Sarkozy and the launching of the RGPP, forms of horizontal despecialization have been more systematically adopted at various levels. The government decided to carry out a drastic reorganization designed to systematically bring about horizontal despecialization through mergers (Bezes and Le Lidec 2010). First, in the new government led by Prime Minister François Fillon in 2007, boundaries between ministries were redrawn, and the number of full ministers was significantly reduced, leading to the creation of big meta-ministries. Second, several mergers took place of central directorates or central organizations within ministries. In 2008, the creation of the "Pole Emploi" involved the merger of two large agencies, respectively, in charge of employment and benefits. In the same year, the creation of the General Directorate of Public Finances merged two of the oldest departments of the Ministry of Finance: the General Directorate of Taxes and the General Directorate of Public Accounting, both well known for the importance of their territorial state units. In 2009, a merger between the national police belonging to the Ministry of the Interior and the French Gendarmerie, a state military force belonging to the Ministry of Defence, was initiated, whereby the Gendarmerie became attached to the Ministry of the Interior. More generally, from 2007, a reduction in the number of central administrative directorates took place. Like in Norway, these mergers can be said to gather organizations fulfilling "proximate functions," but historically the activities of these organizations have been more complementary than similar. Mergers thus appear to be chiefly political decisions that give rise to much conflict and resistance.

The movement toward horizontal despecialization was even reinforced by the reorganization through mergers of the territorial state administration, both at the regional and the *départemental* levels (Bezes and Le Lidec 2010). Within the RGPP, it was decided to reorganize the regional level, merging the 23 ministerial regional directorates into eight regional directorates whose boundaries match up with those of the new "big ministries." At the *départemental* level, the organization of state services was also tightened by the creation of three interministerial directorates, thus merging the dozen existing ministerial directorates at the *départemental* level and departing from the logic of ministerial boundaries. Here, in contrast to the Norwegian case, the majority of mergers aimed to generate savings and to internalize conflicts and arbitration between different

policy units and their specific policy areas and interests. The objective was also to weaken historical ministry-based specialization.

Reorganizations designed to bring about horizontal despecialization can be said to have favored the reinforcement of the political mode of coordination (Bezes and Le Lidec 2011). Since the 2000s, the logic of organizational reforms has sought to increase the coordination of public policies within ministries but has also considerably tightened political control over ministry activities by having a small number of “super senior civil servants” at the central level, thus reinforcing politicization at the territorial level. Indeed, reducing the number of central administrative directorates was one requirement for strengthening the bonds of trust that the heads of the executive may have with each of them. These “super senior civil servants” enjoy more direct relationships, not only with their own minister, but also with the Head of State. Political modes of coordination were also strengthened within the state at the territorial level, although with distinct forms. The merged ministerial units at the regional level are increasingly accountable and responsive toward their central administrations and the minister. At the *départementale* level, the new inter-ministerial state territorial units are placed under the direct supervision of the prefects. In short, the rationale for the process of reorganization in the 2000s is aimed at having fewer full ministers and fewer but more responsive civil servants at the center with more authority, who are more loyal and who report more directly to the minister, the Head of Government or even the Head of State (Bezes and Le Lidec 2011).

Comparative Discussion

Both countries embarked on NPM reforms later than many other Western countries. Although they have both been afflicted with reorganization fever, each has followed a distinct mode of reform and a different structuring pattern (Table 1). A major difference between the French and the Norwegian reforms is that the French reforms have recently become more radical and comprehensive, while the Norwegian reforms are more hesitant. Another major difference between Norway and France is that while many of the major reforms in Norway are typically sector-specific reforms, such as the hospital reform or the welfare administration reform, the French reforms have more systematically pursued cross-sectoral and overarching goals since 2007.

The pattern of reforms has also been different. The Norwegian reforms have favored vertical specialization and specialization by sector, as exemplified by the hospital reform and the reorganization of the immigration administration. To some extent, this has reinforced the historical tradition of the Norwegian administration—that is, its strong vertical specialization—while introducing some new directions. This trend has served to highlight the problems of horizontal coordination. NPM instruments such as performance management or attempts to reinforce political

TABLE 1
Comparing Contemporary Administrative Reforms

| | France | Norway |
|------------------------------------|--|--|
| Modes of change | Reluctant reformer until the early 2000s. Growing NPM influence from the mid-1990s to the 2000s. Incremental reforms (1997–2004). Structural and systematic changes in 2007–2010 based on mergers | A reluctant reformer until the mid-1990s. More eager NPM reformer until 2005. Then post-NPM-oriented reforms related to problems in specific sectors |
| Vertical specialization | Vertical specialization through decentralization and sporadically through the creation of agencies in specific policy sectors. Some vertical despecialization by reducing the <i>départemental</i> level | Reinforcement of historical vertical specialization—moving politics out by agencification. Then attempts at vertical despecialization |
| Horizontal specialization | Systematic horizontal despecialization within all sector-based ministries and for policy delivery functions. Horizontal specialization for managerial tasks | A mix of horizontal despecialization for organizations fulfilling “similar” tasks and of horizontal specialization by splitting different functions fulfilled within the same organization |
| Decentralization reform | Success of decentralization reforms but recently more central control | Failure of decentralization reform |
| Coordination and political control | Reaffirmation of hierarchical mechanisms of coordination (between administrative levels) + reinforcement of political mechanisms of coordination + strengthen prefects’ authority at local level | Increased problems of coordination due to an increase in vertical specialization—creation of a special minister for interministerial coordination—attempts to increase political control |

NPM, New Public Management.

control have been used to counterbalance the trend toward more vertical segmentation. Path-breaking trends—reforms aimed at increasing vertical specialization from the state to the local authorities via decentralization and mergers—such as the regional reform, or reforms challenging sector-based specialization such as the reorganization of internal security, have been rather limited and unsuccessful. Reforms addressing horizontal specialization have been more successful in cases where they are able to operate within a broad ministerial portfolio such as the welfare administration.

By contrast, the French reform pattern has predominantly favored vertical specialization by decentralization and a late but systematic horizontal despecialization through mergers. Vertical specialization through agencification has remained gradual and has mainly taken place in policy sectors where political blame is likely to occur. Both systems have faced big challenges regarding horizontal coordination, but these issues have been addressed differently by France and Norway. In France, interministerial coordination has been more up front. It is significant that existing modes of coordination, hierarchical but also political, have been reactivated but also redirected.

Explaining Organizational Reforms: The Politics of Structural Choices

Why did Norwegian reformers dominantly and continuously favor the reinforcement of vertical specialization with some despecialization for specific sectors (hospitals) but no overall political decentralization while French reformers mostly favored horizontal despecialization, political decentralization, and some vertical specialization in specific sectors? None of the complex forms of change we describe strictly mirror the historical traditions of organization so the mechanical “path-dependency” argument cannot be applied here. There is no one factor explaining change in the structural anatomy of the Norwegian and French state apparatus. Rather, the explanation lies in specific combinations of political strategies articulated to issues of political control and sometimes policy related, external pressure and institutional constraints in each country. Our argument is that the way these factors are combined and their modes of interdependence differ between the two countries. In this last part, we will first emphasize the importance of political control. Then, we will examine how institutional and polity features, on the one hand, and external pressures, on the other, have reinforced, reorientated, or curbed the political strategies.

Political Control

Norway. In the Norwegian case, political factors as well as the influence of NPM favored the option of more vertical specialization. Both before and after 2005, politicians were key actors in putting reform issues on the political agenda. While before 2005, the center-right government was a rather eager NPM reformer, after the Red–Green coalition was elected in 2005, the government became more sceptical vis-à-vis new NPM reforms without wanting to turn the clock back to the pre-NPM period. In the welfare administration, the parliament was a main initiator of reform, deciding on its main components, while the responsible minister also played a key role. In the hospital reform and also the regulatory reform, the responsible ministers were the key reform agents. The political

executive also heavily influenced the recent reforms of the immigration administration.

Although differences exist between the center-right government's enthusiasm for NPM and the scepticism of the center-left government toward NPM (specifically expressed in the extent of corporatization), there is no major cleavage between the different governments regarding the reform process. Incoming governments have reversed none of the reforms, and indeed, many of the major reforms have been decided on by one government and implemented by the next government without any big changes being made. This applies to the hospital reform and the welfare administration reform. The adoption of this "continuity" option reveals that, generally speaking, Norwegian political reformers have no problem with installing existing or new organizations at arms' length from the political executive, thus reinforcing the distance between them and the more autonomous agencies. Politicians in Norway do not consider more vertical specialization to present major or insoluble problems of control. In general, they do not fear losing their capacity to intervene in the day-to-day functioning and management of their services. Of course, there have been cases where changes in the political leadership or partisan majorities or the specifics of some politically sensitive policies may generate greater concerns about political control. This was the case with respect to the hospital reform and the immigration reform, for instance.

The center-left government has also generally been more reluctant to launch new major reforms, and in its overall reform program labeled "An Administration for Democracy and Community" has signaled an increased interest in post-NPM reform initiatives focusing on democratic participation, horizontal coordination, and integration in the administrative apparatus (Christensen and Lægveid 2011). However, the dominant trend is that entrusting autonomous agencies with responsibilities for public policy does not represent an unusual political choice in the Norwegian context. One reason for this is that there is a high level of mutual trust between central agencies and ministries and also between political and administrative executives. Besides, the fact that electoral campaigns in Norway are collectively defined and held according to proportional representation, so that parties rather than individual politicians compete with one another, does not make political control a salient problem.

France. Contrary to their Norwegian counterparts, French political reformers have been consistently reluctant to support organizational choices devolving functions to authorities further away from political control. Significantly, the various official commissions for reforming the state, created in the 1990s, never strongly advocated the idea of differentiating the French administration into autonomous administrative units or agencies (Bezes 2007), while other NPM recipes were more popular. Generally speaking, French politicians have been hostile to every organizational change likely to decrease their political control. This could be

explained by several institutional mechanisms in the French context: the domination of the executive, strong individualization of political careers linked to extensive use of the single-member district system, forms of political clientelism, lower level of mutual trust between administrative organizations at different levels, and between political and administrative executives and the historical and long-lasting use of politicization and centralization mechanisms. All these elements have historically favored the development of structures that maximize capacity for political control, for individual casework and servicing voters. Agencies have mainly been created in policy sectors where risks were high (health, etc.) because of uncertain expertise and where politicians were likely to be blamed.

In other situations, French reformers have been very reluctant to relinquish their capacity to intervene in ordinary, day-to-day policy. This explains why vertical specialization was developed on an ad hoc rather than a systematic basis. It is hence not surprising that horizontal despecialization through mergers was the favored option. From a political point of view, mergers at the central and regional levels have considerably tightened control over ministerial activities by creating a small and reduced number of leading positions and “super senior civil servants” whose task is to implement the goals pursued by the political executive (Bezes and Le Lidec 2011). In short, fewer full ministers, fewer senior civil servants at the center. Horizontal despecialization through mergers is likely to reinforce politicization and political control. What is more, the design of the mergers was aimed at reducing ambiguities and internalizing conflicts and political arbitration within the new big entities. Positive coordination and the resolution of conflicts between public policies are then more likely to be strengthened within macro-ministries and directorates, thus forcing them to make political choices between contradictory alternatives. However, the distinct and contradictory choices made for the organization of the state at the regional level (ministerial units) and at the *départemental* units (interministerial units) are likely to blur these effects and to weaken the global coordinative logic at work.

Summing up, political control matters to a greater extent in France, while in Norway, issues of political control does not really prevail to the same extent. To get a better understanding of the reform processes and their outcome, we have to take external factors as well as institutional features into consideration.

Institutional Features

Norway. Norway seems to have adjusted to the new international trend of administrative reforms and to the specific problems generated by the reforms’ organizations in a pragmatic, incremental and cautious manner. The existence of strong sector ministries and a government administration ministry with weak horizontal coordinative power explain the reform style but also why reforms have been more often driven by sector-specific

initiatives than by government-initiated comprehensive and binding general reform programs. In Norway, the institutional and polity features seem to reinforce the segmentation of the administrative system and explain why the major reforms were driven by sector specific issues, demands, and problems. Compared to the overarching reforms, the sector-specific reforms have been bigger and more comprehensive. It is obviously easier to implement radical reforms within each sector than across sectors. As illustrated by the reform of the welfare administration, administrative reorganizations have usually been long-term processes where the diagnosis of the problem and the calling in of expertise to solve it were subject to discussion, debate, and iterations. The historical legacy of a governmental model of ministerial rule has also clearly affected changes in the formal organizational structure of central government in Norway.

France. Organizational reforms in the French context have been embedded in the multitiered system of French administrative organization, whereby two strongly competing but interlinked patterns—territorial and sector-based forms of vertical specialization—are combined. For ministries, reforming the structures of their central administrations is likely to generate side effects on their territorial ministerial organization that will limit their initiatives. In addition, ministries often find it difficult to reform their territorial ministerial organization on an autonomous sector-specific basis because the proposed reorganization conflicts with the interests and conceptions of the prefects, who defend the territorial state. This dual and competing supervision of the territorial state units explains why, before 2007, sector-based ministerial initiatives were always designed on an ad hoc and experimental basis with limited effects. Finally, local governments often oppose reorganizations of ministerial territorial units because they are likely to reduce public jobs in their respective geographical areas. The result at the level of everyday policy has been usually more incremental reforms or even institutional inertia, because the political costs were high and politicians usually wanted to avoid blame for organizational matters. Because all reorganizational issues are linked and interdependent, reform design, when it emerges, is more likely to be cross-ministerial and transversal than sector based. This is all the more likely as centripetal and centralist administrative actors—the Finance, Interior/Home Office, and Civil Service ministries—are more powerful actors (Bezes 2007) in the French context than their corresponding ministries in the Norwegian system. These actors have been eager to impose their transversal and general views on the whole system. When change did occur, like in 2007, this also reflected the presence of a strong political leadership, but this situation was rare.

External Pressure from Technical and Institutional Environment

Norway. A number of other factors reinforced the orientation toward vertical specialization. It is hard to see reform as only home grown,

because a lot of inspiration and learning is derived from abroad with reform ideas diffused from one country to another, but these processes are often rather complicated. Even though neither Norway nor France were NPM front-runners, the reforms they have implemented still bear the stamp of international reform movements, especially more recent reforms. In Norway, NPM ideas and later post-NPM ideas coming from abroad are obviously part of the story. Examples of this are structural devolution, regulatory reforms, and the ideas of single-purpose organizations and performance management systems. These NPM ideas, which reinforce vertical specialization, were specifically compatible with the historical organization of the Norwegian state so that reforms were likely to be implemented quickly. Another argument is that because the NPM performance management recipe was simultaneously adopted, it offered a positive counterbalance, in terms of control, to increased vertical specialization.

The budgetary situation did not represent a constraint on increased governance at distance either, even though this could potentially generate an increase in public expenditure. Norway is a prosperous country with a healthy economy and a high standard of living. Its management of oil assets by the government Pension Fund—Global is an example of long-term budgetary planning. Owing to its small population and huge revenues from offshore oil and gas, Norway has experienced less budgetary pressure than many other European countries and hence the pressure for cutbacks and savings has been weaker in Norway. Besides, vertical specialization was also compatible with the historical configuration of veto players and was supported by the state employees' unions (Roness 2001) in line with the strong corporative tradition in Norway and the participatory model of modernization in the Nordic countries.

From this perspective, how can we explain the case for horizontal despecialization (welfare), vertical despecialization (hospitals), and the failure of political decentralization? Our argument is that these changes occurred when one of the three converging factors was distinctly oriented. As previously said, the financial crisis had no obvious general effect on the reforms. Most of them were launched before the global crisis occurred, and Norway's healthy financial situation meant that the public sector reform process was not affected by it to any significant extent. However, in sectors where budgetary problems arose, distinct organizational changes were introduced. One of the arguments behind the hospital reform was to gain (political) control over the budget deficit and over the galloping and uncontrolled expenditure on health care. This might explain why vertical despecialization (from local governments to the state) was preferred (but linked to vertical specialization from the state to publicly owned enterprises.) Financial arguments and issues of political control were also important in the welfare administration reform and explain why horizontal despecialization was the preferred option here. The failure of political decentralization is compatible with our argument about Norwegian

politicians' espousal of management of public policy by autonomous administrations. Political decentralization would amount to entrusting regionally elected politicians and complex partisan majorities with public policy. Hence, for political reasons, this has not been the dominant approach chosen in Norway in the recent period.

France. In the French case, the political factor in favor of horizontal despecialization was reinforced by external pressures. In France, the growing deficit and debt as well as European pressure from 2004 to 2007 highlighted the objective of reducing public expenditure and lent it more political weight. These budgetary problems have led to major reorganizations of the public sector and the architecture of the state, which have been advocated as a way of downsizing and achieving economies of scale. The RGPP systematized these aims and evolved into a government policy dedicated to scrutinizing how resources in the administration could be better used. The RGPP claimed to be "rethinking the state" as a way of tackling the fiscal imperatives of reducing the debt and the deficit and realizing the twofold objectives of downsizing government and implementing managerial-style reforms intended to make the bureaucracy more efficient (Bezes and Le Lidec 2010).

Organizational mergers involving both central directorates and state field units and the promotion of the regional level as the main level for steering and coordinating public policy have been defended as an "efficient form" with a twofold purpose. Mergers has been used as a tool to generate a significant decrease in the number of state public agents, specifically by reducing the important number of "front office agents" in local ministerial units at the *départemental* level. In addition, the supremacy of the regional level over the *départemental* state units may allow significant economies of scale to be made by merging back-office functions in such areas as finance, IT support, and human resources management but also in policy-oriented functions requiring specific expertise. This call for mergers and horizontal despecialization was supported by consultancy firms, which have played a major role as producers and disseminators of "structural reform" standards since the early 2000s. The growing influence of their rationalizing and "cost-killing" recipes has been recognized (Berrebi-Hoffmann and Grémion 2009; Bezes and Le Lidec 2010). In the French context, mergers are thus "ambiguous" organizational solutions likely to be adopted as a result of "ambiguous agreement" (Palier 2005). A precise analysis of the different positions adopted toward mergers shows that the various reformers involved agree on them but for very different, often contradictory, reasons. Mergers are expected to achieve economies, to favor reinforced political control, and also to offer a response to the French problems of coordination.

In this perspective, the case for horizontal specialization only refers to situations where the objective was to make specific tasks within the state more efficient and professional through rationalization and the creation of

specifically allocated units. The success of political decentralization—and hence of increased vertical but political specialization—confirms the specificity of the French organizational trend. Political decentralization transfers responsibility for public policy and related political arbitration from central to local government, thus illustrating French government concern to reinforce political control over policy and its hostility toward solutions where public policy is entrusted to autonomous administrative organizations/agencies.

Conclusion

The reform cases analyzed in this article show diverse reform processes in which several driving forces supplement and complement one another and in combination explain reform trajectories. Rather than an either-or explanation, we need to combine different explanatory factors. Reform outcomes cannot be explained in terms of single features—be they free choice by powerful political executives, structural and polity constraints, diffusion and learning from abroad, or adaptation to the financial crisis and budget deficit, but only by a combination of such features. Another theoretical lesson is that in trying to rearrange the historical structure of sectoral and territorial specialization, reform processes introduce a balance of autonomy and integration elements. The discussion has revealed that we need to treat autonomy and integration and specialization and coordination as mutually dependent processes. This argument of coevolution and mutually dependent processes in multilevel governance is well known in the literature on integration and autonomy in the European Union (Egeberg 2004; Olsen 2004), on autonomy and control in the field of administrative reform (Lægreid and Verhoest 2010), and on the relationship between specialization and coordination (Bouckaert, Peters, and Verhoest 2010).

What can be learned from these findings about the evolution of coordination and specialization in the modern state both in a comparative perspective and in more general theoretical terms? A first comparative lesson concerns the effects of globalization and the financial crisis. One might have expected external pressure, NPM diffusion, and institutional choices to have resulted in convergence toward similar organizational forms or at least similar trends of reorganization. Our comparative analysis reveals two reasons why this is not the case. First, the two countries have not faced the same pressures: The financial crisis imposed strong constraints in France, offering a window of opportunity to reorganize and amplify existing and available solutions rather than generating new directions in reorganizing trends; this was not the case in Norway. Second, the two countries have not systematically adopted the same reorganizational recipes. General conclusions advocating convergence or divergence (Pollitt 2007) are too broad to successfully explain the diverse empirical realities and the operating trends. Our comparative perspective emphasizes the need to make distinctions between elements of convergence and

divergence. While both countries experienced a renewal of control through managerial tools, it is remarkable that French reformers predominantly focused on horizontal despecialization, while Norwegian governments tended to favor vertical specialization. In a schematic way, the Norwegian administration favored intrasectoral reforms reaffirming ministerial silos with a managerial counterbalance, while the French state gave priority to intersectoral reforms aimed at weakening ministerial logic and reintroducing coordination issues. At first glance, these dominant trends seem to be “path dependent,” with the Norwegian state reaffirming its historical vertical specialization, while the French state has hybridized its two structural patterns of specialization—territorial and sector based.

A second lesson relates to the changing organization of the modern state. The first trend of reorganization identified, strongly influenced by Anglo-American countries, has been the idea of increased fragmentation of the state through increased vertical specialization. Our two cases show that while vertical specialization does constitute an organizational recipe, it is neither necessarily the dominant one (in France) nor systematically implemented for all ministries and all related policy issues (in Norway). The picture is more complex, and our analysis emphasizes the importance of horizontal despecialization as a strong reorganizing trend. Some have labeled it a post-NPM trend and see it as a reaction to, or even a reversal of, previous NPM reforms and their unintended and undesirable effects. The empirical findings in this article help to open the “black box” of horizontal despecialization by identifying three rationales. First, merging units may be a response to problems of coordination, although neither in France nor in Norway were these issues of coordination exclusively provoked by NPM reforms. Second, horizontal despecialization is also a way to cut public expenditure by downsizing and achieving economies of scale in times of budgetary crisis (France) or in policy sectors where these problems are relevant (Norway). Third, in some contexts, mergers also reflect a political strategy to regain political control by strengthening hierarchies. This has been the case in France at a general level and in Norway in specific policy sectors (immigration for instance) where issues of political control were sensitive.

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Notes

1. This does not mean that ministries did not also develop their own specific reforms in relation to the characteristics of their policies and to their idiosyncratic power relationships (Jeannot and Guillemot 2010).
2. This transfer of a large number of civil servants was implemented through a device allowing public agents to choose between an unlimited term contract where agents could work for local authorities while maintaining their status of state civil servants and a change of status where agents become members of the French local civil service. This second option appeared to be more attractive as it favored a significant improvement of their work and salary conditions and secured their territorial links. See Cour des Comptes (2009, 93–105).

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