Policy networks and the roles of public administrations

VARONE, Frédéric, INGOLD, Karin, FISCHER, Manuel

Abstract
This chapter applies the methodological tools of formal social network analysis to illustrate the multifaceted functions currently performed by public administration(s) in steering public policy.

Reference

DOI: 10.1007/978-3-319-92381-9_20
Swiss Public Administration
Making the State Work Successfully
In 2013, the Institut de hautes études en administration publique (IDHEAP) at the University of Lausanne published the first handbook on Swiss public administrations both in German and in French. This handbook became quite a success within the civil service and proved to be very useful for teaching. This completely rewritten and much shorter volume concentrates on the main characteristics of public administrations in Switzerland and makes the content of the handbook accessible to a broader English-speaking public. It responds to an increasing interest in Swiss political and administrative institutions and policy solutions.

The book was written to be presented at the 2018 Conference of the European Group of Public Administration (EGPA) organized at the IDHEAP in Lausanne. One of the goals was to give our colleagues some ideas about the organization and the functioning of Swiss public administration. We hope it gives answers to questions which usually come up while considering another country and provides insights into an administrative system which is quite different and complex but rather successful.

To write such a volume in a relatively short lapse of time was quite a challenge, and we would like to say thank you to all those who contributed to it, especially all the authors for their significant contributions. Our thanks also go to the University of Lausanne, the Faculty of Law, Criminal Justice and Public Administration, and the Graduate School of Public Administration (IDHEAP) for their financial support.

A very special thank-you goes to John Bendix, who not only translated the French and German texts into English, and corrected our attempts to use the language of Shakespeare, but also shared with us his huge...
knowledge of the topic and prevented us from being unclear or incorrect. A special thank-you also goes to Merita Buzuku, who brought all the numerous documents in the form requested by the editor.

Lausanne, Switzerland
April 2018

Andreas Ladner
Nils Soguel
Yves Emery
Sophie Weerts
Stéphane Nahrath

CONTENTS

Part I  General Aspects  1

1  Society, Government, and the Political System  3
   Andreas Ladner

2  The Organization and Provision of Public Services  21
   Andreas Ladner

3  The Characteristics of Public Administration in Switzerland  43
   Andreas Ladner

Part II  The Legal System: Law and Courts  67

4  The Law and the Principle of Legality  69
   Sophie Weerts

5  The Pre-parliamentary Phase in Lawmaking: The Power Issues at Stake  87
   Christine Guy-Ecabet
6 The Federal Administration as an Actor in the Domestic Integration of International Law
Sophie Weerts and Amalia Sofia

7 Soft Law Instruments in Public Law
Alexandre Flückiger

8 Judicial Federalism and Constitutional Review in the Swiss Judiciary
Pascal Mahon

Part III The Management of Tasks and Services

9 The New Model of Swiss Public Management
Jean-Loup Chappelet

10 The Road to Digital and Smart Government in Switzerland
Tobias Mettler

11 Public-Private Partnerships: A Swiss Perspective
Laure Athias, Moudo Macina, and Pascal Wicht

12 In-Depth Modernization of HRM in the Public Sector: The Swiss Way
Yves Emery

13 Communication and Transparency
Martial Pasquier

Part IV Fiscal and Financial Management

14 Financial Management System, Legislation and Stakeholders
Nils Soguel

15 The Swiss Way of Presenting the Governments' Financial Statements
Nils Soguel

16 Tax Power and Tax Competition
Nils Soguel

17 Intergovernmental Fiscal Transfers and Equalization
Nils Soguel

Part V The Management of Public Policies

18 Social Security Policy
Giuliano Bonoli

19 Health Policy
Philipp Trein

20 Policy Networks and the Roles of Public Administrations
Frédéric Varone, Karin Ingold, and Manuel Fischer

21 Factors Contributing to the Strong Institutionalization of Policy Evaluation in Switzerland
Katia Horber-Papazian and Marion Baud-Lavigne

Index
CHAPTER 20

Policy Networks and the Roles of Public Administrations

Frédéric Varone, Karin Ingold, and Manuel Fischer

20.1 INTRODUCTION

This chapter applies the methodological tools of formal social network analysis (SNA) to illustrate the multiple functions currently performed by public administration(s) in steering public policy. Public policy itself is defined as 'a series of intentionally coherent decisions or activities taken or carried out by different public—and sometimes—private actors, whose resources, institutional links and interests vary, with a view to resolving in a targeted manner a problem that is politically defined as collective in nature' (Knoepfel et al. 2011: 24). From this perspective, a public administration is a public actor that must unconditionally coordinate its own actions with
those of parliamentary and governmental officials, courts, interest groups, political parties and scientific experts in order to co-produce a policy for a sector or to resolve a collective problem. In fact, in current political systems, no actor alone (including a politico-administrative actor) controls all the resources needed to take unilateral action (Berardo and Scholz 2010).

The empirical examples discussed in this chapter illustrate how classical public administration (e.g., those following the Weberian ideal type of bureaucracy) has changed and takes on new roles nowadays. On the one hand, in the process of making decisions, an administration at times becomes a policy broker between advocacy coalitions. On the other hand, during the implementation phase, it often agrees to share its regulatory powers with other actors such as independent agencies. Empirical evidence tends to confirm the paradox that it is precisely by renouncing its classical role as the dominant actor in the hierarchy, and by sharing its competences and resources with other actors, that the administration is able to maintain its central role in steering public policy. This thesis is underscored in the literature on the meta-governance of networks or network management (e.g., Klijn 2005; Provan and Kenis 2007; Sørensen and Torfing 2009; Klijn et al. 2010). In fact, the social network analyses presented here demonstrate that public administration remains central and influential and at the heart of policy networks—as long as it can adapt itself to the current conditions influencing public policies and can fulfill new functions (see also Fischer 2017).

SNA describes the relations between actors who jointly develop and implement a public policy; it is also a way to study why and how an administration occupies several roles in succession in carrying out public actions. Different labels have been applied in the public policy and public administration literature to describe the networks among actors. The first, 'policy networks', is more in line with political negotiation theories and theories of decision making processes. Private and public actors exchange information and other resources relevant to taking action, in order to increase their influence on the final outcome of the decision-making process (Leifeld and Schneider 2012; Knoke et al. 1996). This exchange is organized within the policy networks and is often presented as a non-hierarchical approach to public sector decision-making (Kenis and Schneider 1991; Laumann and Knoke 1987). It highlights the horizontal relationships between different actors where no clear hierarchy between them exists, and it focuses on the influence administrative units exert in formulating public policies.

The second, 'collaborative networks', is derived more from the public management literature and focuses on the implementation of public policies. It tries to explain the quality and efficiency of services provided by a public administration, often at the local or regional level (Shrestha 2013; Schalk et al. 2010; Provan and Kenis 2007). Linked to the theoretical discourse about network governance and collaborative governance (Ansell and Gash 2007), this approach emphasizes the self-organizing, non-hierarchical character of actors involved in policy implementation and the resolution of local collective action problems or natural resource management (Lubell et al. 2014). These two currents are perfectly complementary (Lecy et al. 2014) and make it possible to recognize, if not understand, the different facets of administrative work during the different stages of the public policy cycle. This chapter focuses on the policy formulation and policy implementation stages (for a discussion of ‘upstream’ agenda-setting and ‘downstream’ policy evaluation, see Varone et al. 2016).

The ‘formulation’ stage corresponds to the clarification and stabilization phases (at least temporarily) in the logic of intervention which underpins public policy. This process, which leads to adopting a legislative and regulatory framework, engenders specific choices of objectives, instruments (e.g., prescriptions, incentives or information), institutional arrangements and procedures to be followed to resolve the problem under consideration.

The ‘implementation’ stage corresponds to the application of the policy which has been legitimized, hence to the production of administrative outputs in specific situations (e.g., a building permit, a subsidy for solar panels or training in ecological farming practices). Most of the time, this phase is quite complex, because a variety of potential snares exist, including the non-execution or very selective application of certain legislative or regulatory provisions by street-level bureaucrats with discretionary powers (Lipsky 1980). The territorial differentiation inherent to federalism also creates implementation issues, whether in a decentralized country or in a multilevel governance system of the kind found at the European level.

At each of these stages of the policy cycle, the administration can assert itself, which it may do either more or less proactively; it is central in the configuration of actors and influences the content of public policy. More generally, an SNA allows one to study the activity, centrality, and influence of an actor. This analysis is precisely aimed at providing theoretical and methodological tools for determining the real scope of an administrative unit with respect to the process and content of public policy, but also for determining the scope of other actors involved in the sectoral network.

The following sections summarize, for the policy formulation and policy implementation stages, the concepts reflecting the particular roles of an administration; it also discusses empirical measurements of that roles. This is
illustrated using case studies of policies to combat global warming as well as to liberalize the formerly government-controlled telecommunications sector. These two public policies are chosen because they have a number of interesting characteristics: strong internationalization (there are global debates both about climate and about ways to open the telecommunications sector in Europe to greater competition), a high degree of conflict (there are strong disagreements between state and private sector actors), and they are characterized by innovations with respect to the specific instruments (e.g., tradable certificates, licenses and market regulation) and actors (e.g., the creation of independent regulatory agencies) chosen. In a nutshell, global climate and telecommunications policies reflect, in an ideal-type manner, the current changes to the framework conditions the state faces.

In these two case studies, we have recourse to some classic SNA indicators (see Table 20.1) for quantifying the structure of a network and the significance of an administrative actor within it.

Table 20.1 Key variables in SNA

<table>
<thead>
<tr>
<th>Variables</th>
<th>Definition of the empirical measurement used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Density</td>
<td>Network density corresponds to the proportion of observed ties as compared to all theoretically possible ties in the network.</td>
</tr>
<tr>
<td>Degree centrality</td>
<td>Centrality assesses the relational position of a given node in the overall network. Many different indicators of centrality exist. Degree centrality measures the number of incoming (in-degree) and outgoing ties (out-degree) of a node.</td>
</tr>
<tr>
<td>Betweenness centrality</td>
<td>Betweenness centrality is another popular measure of centrality. It takes into account the degree to which a node is located on the shortest path between any two other nodes in the network. Nodes with high betweenness centralities are potentially important bridging actors or brokers in the network.</td>
</tr>
<tr>
<td>Eigenvector centrality</td>
<td>Eigenvector centrality is based on degree centrality; it counts the number of other nodes a given node is connected to. It also takes into account the centrality of the nodes a given node is related to by giving more weight to more central nodes.</td>
</tr>
<tr>
<td>Clique analysis</td>
<td>A clique is a set of nodes in which every node is connected to every other node. It is a subset of a network with maximum internal density.</td>
</tr>
<tr>
<td>Core-periphery</td>
<td>A core-periphery structure is characterized by a set of nodes in the core of the network that are strongly inter-connected and a set of nodes in the periphery of the network that are weakly related to nodes of the core. This represents an ideal-type structure to which empirically observed networks can be compared to.</td>
</tr>
<tr>
<td>Structural equivalence</td>
<td>Two nodes are structurally equivalent (or similar) if they have the same (or a similar) relational profile to the rest of the nodes in the network.</td>
</tr>
</tbody>
</table>

See also Wasserman and Faust (1994)

20.2 Policy Formulation: Brokering and the Choice of Instruments

The most studied aspect of public policy in political science is the design phase. Numerous theories of decision-making processes have tried to explain changes in the choice of objectives and the instruments used in public policy; these explanations cross administrative, governmental and parliamentary domains. In fact, the measures used to intervene, whose implementation is supposed to make it possible to achieve the objectives of the policy as well as contribute to resolving the collective problem, delineate the perimeter of the targeted groups. This is the point in time when public policy becomes concrete and directly tangible for all actors involved. Each private actor can then anticipate whether or not they are targeted by the measure (or instrument) and whether or not they should change their behavior. The calibration of policy instruments is therefore one of the elements which best characterize the design or formulation of a public policy. The instruments selected determine the degree of state 'interventionism', but they also determine the rights directly granted to the various targeted actors or the obligations imposed on them. They also determine the nature and quality of the expected administrative outputs (e.g., authorizations to be granted, prohibitions or penalties to be imposed, subsidies to be allocated, taxes to be levied and information campaigns to be carried out).

It is therefore not surprising that the choice of instruments is fiercely contested in the political arena.

The relevant literature proposes various theoretical hypotheses about the links between the configuration of the actors on the one hand and the choice of instruments on the other. Bressers and O'Toole (1998), for example, suggest that the degree of connection between private and public policy stakeholders (e.g., the density of relationships within the political network) as well as their degree of cohesion (e.g., shared political preferences) decisively determines the type of instrument introduced. They suggest an elevated connection and a strong cohesion, resulting from a strong link between the government and the groups targeted by a public policy, which means that a wide variety of instruments can be introduced. This will tend to favor the target groups by granting subsidies and providing information. By contrast, a network with weak cohesion and connections will likely lead to a politics influenced by abstract or normative values—and a
lack of room to maneuver in the target groups (Bressers and O'Toole 1998: 230–32).

In a quite different vein, the Advocacy Coalition Framework developed by Sabatier and Jenkins-Smith (1993) proposes that the choice of instruments results from a conflict between different coalitions of actors. Each coalition, or each group of advocates for a cause (e.g., those who favor and those who oppose the use of nuclear energy), shares the same belief and value systems and coordinates their efforts. An SNA analysis can be useful for identifying the advocacy coalitions as well as understanding the relations between them (Ingold 2011; Fischer 2014). The work done inside a coalition results in a preference for one combination of instruments over another (e.g., the public licensing and financing of nuclear power plants versus prohibiting such plants and imposing obligation on the private plants' owners to bear the dismantling costs). According to this theoretical model, different administrative units either can be members of different coalitions (competing to assert: their value systems and their own instruments) or may act as intermediaries between the coalitions. In this latter case, a public administration body aims above all to reduce the level of conflict between the coalitions and mediate between them so as to identify possible compromise solutions. As they are not part of any coalition advocating a particular cause, these administrative bodies are referred to as ‘policy brokers’ in the literature (Sabatier and Jenkins-Smith 1993; Ingold and Varone 2012).

A specific example illustrates how such brokering works (Stovel and Shaw 2012), and beyond that, how SNA accounts for it empirically. The case in question was the political struggle over global warming measures to be taken in Switzerland between 1990 and 2010 (Ingold 2011; Ingold and Varone 2012). Following the signing of the Kyoto Protocol (adopted late in 1997 and in force as of early 2005), which set a 2012 target of reducing greenhouse gas emissions by 8% relative to 1990 values, Swiss climate change policy was articulated in passing a first CO₂ emissions law in 2000. This law called on the private market to take voluntary action to reduce greenhouse gas emissions by 10% within two years. Should this prove insufficient, an incentive tax on CO₂ emissions would be introduced.

This choice of instruments reflects the fact that two advocacy coalitions were bitterly opposed: one was pro-market (it included industry, transportation, the energy sector, and the right-wing parties) and only supported voluntary measures, while the other was pro-environment (it included environmental associations, left-wing parties and the Federal Office for the Environment) and called for an immediate introduction of the CO₂ tax. In the event, voluntary measures soon showed their limitations, and the CO₂ law was revised already in 2005. It seems logical to expect an automatic implementation of the CO₂ incentive tax, but its revision led to a very different result. The second law combined a CO₂ tax on fuel, as the pro-environment had called for in the first law, with a ‘climate penny’ tax levied on fuels, an instrument proposed by the pro-market coalition. This unexpected solution was the result of a compromise negotiated between the two coalitions, thanks to the subtle work and brokerage of a public administration body—in this case the Swiss Federal Office of Energy (SFOE), which intervened to find an amicable solution and prevent an escalation of the conflict between the two coalitions.

In this example, network analysis is a powerful tool for identifying the SFOE as a public policy broker. It shows first that the SFOE does not belong to either of the competing advocacy coalitions. Each coalition brings together actors with a similar profile in terms of conflict structures (vis-à-vis members of the opposing coalition) and cooperation (with members of their own coalition). The SFOE’s profile is quite distinct from that of the members of either (cause-driven) coalition. Second, the SFOE possesses a high ‘reputational power’, meaning the actors in conflict give it credence in its mediation work. No less than 83% of the stakeholder actors declared the SFOE to be a very influential player in the decision-making process. Third—and this empirical observation is critical here—network analysis showed the SFOE to be often found at the interface between the actors who belonged to the pro-environment versus those who belonged to the pro-market coalition. In other words, the actors in conflict only collaborated indirectly and through the intermediary SFOE. This is indicated by the ‘betweenness centrality’ indicator, which measures the frequency with which the SFOE is found on the geodesic path between two actors who are otherwise not connected. By way of summary, Fig. 20.1 shows the morphology of the collaborative network in Swiss climate policy; the SFOE (the large gray node at the center) maintained collaborative relationships with a multitude of actors from the two camps.
20.3 Policy Implementation: Encouraging a Network and Co-producing Services

The implementation phase puts public administrations in direct contact with representatives of civil society, including, first and foremost, the groups targeted by the policy instruments. To study the interdependencies and the strategic games played by these actors, one needs to identify the institutional arrangement employed in the implementation. One can also call this the structured set of administrative and parastatal organizations formally charged with implementing the relevant public policy. It is crucial that one understands the many dimensions of this inter-organizational network, as it allows one to comprehend the ability of the public administration to implement the envisaged instruments. Or put differently, to understand its inability to overcome the resistance of the target groups or the problems in application it encounters.

An implementation arrangement involves diverse administrative entities whose numbers vary. Such an arrangement is characterized by a high level of coordination both horizontally (between units) and vertically (between municipal, regional, central, and international levels), but it can, on the contrary, also be characterized by considerable fragmentation. In addition, a low degree of openness to strictly political actors implies a degree of professionalism and neutrality in implementation decisions. Greater permeability, meaning more openness to interests and interference on the part of (e.g., local) politicians, can result in politicization and unpredictability in the implementation. Finally, because public policy is often carried out by administrative units which have also participated in the formulation and execution of other sectoral policies, the question of coordination between sectors (e.g., those in which the state intervenes) is a further important issue. The evidence is that of numerous inter-ministerial conflicts; they become the subjects of administrative, political or even judicial arbitration.

Without going into all the facets of an inter-organizational network, the literature is in agreement on at least one point: a public administration nowadays often shares its regulatory powers and sees itself less a monopoly player than a co-producer of administrative outputs. Moreover, an administration may be limited to encouraging (or invigorating) a network composed of parastatal or private actors to whom it delegates regulatory tasks and competencies (Provan and Kenis 2007). This phenomenon is particularly evident in the wake of New Public Management (NPM)-inspired reforms which, for example,
lead to creating independent regulatory agencies. Many studies using a network perspective indicate that the efficiency and effectiveness of an administrative arrangement for delivering public services is highly dependent on the context, available resources, and existing administrative control mechanisms (Provan and Milward 1995; Ingold and Fischer 2014).

To illustrate the significance of inter-organizational networks and to show how traditional administrative structures have to share their prerogatives (in implementation contexts), the second example focuses on the emergence of independent regulatory agencies. In the wake of opening certain public services previously regarded as state monopolies (e.g., telecommunications, electricity, postal services or railways) to competition, most industrialized democracies instituted national regulatory agencies, also called sector-specific regulators. At least in theory, these new entities enjoyed broad independence vis-à-vis elected officials, as they were called upon to impartially manage the competition between operators, both public and private, and ensure universal service provision. Such regulatory agencies were added on to existing administrative entities, densifying the implementation mechanisms introduced by policies to liberalize public service provision.

In the telecommunications sector in Switzerland, the Federal Communications Commission is the incarnation of a national regulatory agency, one which has intervened in the network of co-regulators, alongside the Federal Office of Communication (a classical public administration body), the Competition Commission, the Swiss price regulator, and the courts charged with resolving the inevitable conflicts that arise between users, operators and/or co-regulators. Figure 20.2 outlines the relationship between all the actors in the (now liberalized) sector, relations which can be studied in greater detail using network analysis tools.

A formal network analysis of the links between actors in this realm shows that the Federal Communications Commission and the Federal Office of Communication are the two main co-producers of regulations for this sector. They both have the highest 'reputational power' and are the most central in this network. The 'classical' administrative unit, the Federal Office of Communication, also has the highest level of 'betweenness centrality' among all the actors. It can therefore exercise a great deal of control over the flow of information and benefits by having bargaining power relative to the other actors (Fischer et al. 2012; Ingold et al. 2013; Varone and Ingold 2011). In addition, the Communications Commission is strongly interlinked with the Office of Communication and other regulators,
though it appears much more independent vis-à-vis the elected authorities and other operators in this sector (Maggetti et al. 2013). Thus, the sector-specific national regulatory agency (e.g., the Communications Commission) must deal with a ‘classical’ administrative unit in order to exercise its regulatory powers. This example reflects the major transformation co-regulation has brought about in numerous sectors, and beyond that, the role co-production plays in the delivery of public services by ‘classical’ administrative bodies.

20.4 Conclusion

This chapter has shown how public administration(s), in order to maintain a decisive influence over the conduct of public policies, has been transformed and assumes new roles, at least when compared to the tasks and sovereign competencies under an ideal-typical Weberian bureaucracy. The two examples discussed above indicate that an administrative entity can cast itself in turn as a broker and mediator in political conflicts (formulation) and as a co-producer of administrative services and network facilitator (implementation). The results of a formal SNA also suggest that these new roles do not entail a loss of public administration influence. On the contrary: it is by adapting and also abandoning a state-centric vision and hierarchical position, as well as finding a place within a policy network as a broker, facilitator, or co-producer, that public administration is able to maintain its ability to significantly influence the content of public policies.

This observation, perhaps a little paradoxical, is certainly valid beyond the politics of contestation around global warming or the liberalizing of telecommunications. Indeed, policy networks are an undeniable reality in many sectors where the state intervenes to solve collective problems. Political decision-makers, administrative elites, and academic researchers experience this on a daily basis, and it is therefore reasonable to devote more sustained attention to the SNA approach (see Kapucu et al. 2017; Lecy et al. 2014 on Fischer 2017 for an up-to-date overview of the state of empirical research), one which helps in identifying the new roles inhabited by public administration.

Of course the emergence and consolidation of policy networks are certainly not the only transformations public administration has undergone, including in the context of NPM-inspired reforms. However, by highlighting the interdependence of public administrative units and other actors (which include private actors) in public policy, the network approach suggests that there are perhaps some intrinsic limitations inherent to certain other reforms which are underway, especially if they are confined to modifying the internal functioning of public administration and/or reinforcing institutional egoism. One can think here of contemporary performance contracts and performance indicators, essential tools of the NPM approach, which have been negotiated under several governments, and which generally do not take into account that public action is developed and implemented in inter-organizational networks, not in isolated administrative units which are protected by ‘their’ respective service contracts.

At the same time, we make no claim that policy networks are a panacea, either in theory or in practice. There is no definitive answer for whether the participation of administrative organs in policy networks improves the relevance, effectiveness and efficiency of public policies or not. While some authors highlight how public administration could profit from network-based management (Klijn 2005), others remain cautious or even skeptical (McGuire and Agranoff 2011). A number of significant normative issues, including legitimacy, are also raised by the question of how democratically anchored policy networks are. Responsibility ultimately lies with elected decision-makers, even if delegating decision-making powers can benefit the work of public administration (Sørensen and Torfing 2005).

References


---

**Open Access** This chapter is licensed under the terms of the Creative Commons Attribution 4.0 International License (http://creativecommons.org/licenses/by/4.0/), which permits use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third-party material in this chapter are included in the chapter’s Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter’s Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.