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Why bureaucrats interact with interest groups

3.1 Introduction

Dutch civil servants did have strong incentives to interact with immigrant organisations. They needed those organisations to mediate their relationships with diverse immigrant communities. Similarly, New York’s City administration needed such organisations to create ‘communication channels’ (Thompson 2005) to more quickly solve intercultural tensions in New York City’s neighbourhoods. There seems to be something unique to the issues facing minorities, so that civil servants need such organisations, especially those that can constitute a link between governments and individual communities. The question is whether we can explain such bureaucracy-interest group interactions more generally. For instance, could this particular capacity to intermediate be similarly valuable in other policy areas? Or, under which circumstances could other driving forces of bureaucracy-interest group interactions be more important? To more fully examine such public bureaucracy-interest group interactions, we need a theoretical framework with which to systematically compare these interactions. Consider the following quotes,

We need each other; there is no question about it.¹

What does it take to be a successful lobbyist? Offering trustworthy information is the essential trick.”²

This is how I perceived these women’s organisations, as an entrance to the target group, they knew these kids.³

The insurance companies and their associations? They are powerful players in the field, because we need them for financing the system.⁴

These quotes are either from civil servants or interest groups, from different policy fields and different levels of government. Yet they share the same understanding, that some goods are traded for others. What the different theoretical explanations, which I discussed in the previous chapter, have in common is that they implicitly entail such exchanges as well. For instance, interest groups trade information and expertise for access; bureaucrats need public support; or, such exchanges are assumed to serve a mutual benefit so that they last over time. The key difference is

¹ Interview by author.
² Idem.
³ Poppelaars 2007, 17.
⁴ Interview by author.
that these different accounts vary in their assessment of which of the two sets of actors is more ‘powerful:’ the bureaucrats or the interest groups. So, amid the conceptual variety in the three strands of literature examined in chapter 2, a common element recurs: some goods are traded for others.

Such common ground is exactly what is needed to engage in comparative research. It provides an appropriate abstraction of bureaucracy-interest group interactions that moves beyond the idiosyncrasies of each individual explanation by capturing the idea of ‘exchanging goods.’ Such an exchange of resources is the main explanatory variable of interorganisational behaviour in the classic resource dependence theory (Pfeffer and Salancik 2003[1978]) and will be used to explain bureaucracy-interest group interactions. In sum, the argument developed in this chapter is that by reconceptualising bureaucracy-interest group interactions as resource exchanges, it is possible to systematically compare those interactions across cases and over time. And, in doing so, this reconceptualisation allows us to distinguish between the explanations offered by the literatures on bureaucratic politics, interest group politics, and policy networks.

I proceed in several steps to develop the explanatory model of bureaucracy-interest group interactions. First, I briefly summarise the original resource dependence theory developed by Pfeffer and Salancik (2003[1978]). Second, I reconceptualise bureaucracy-interest group interactions based on resource dependence theory and I subsequently add a comparative and longitudinal perspective to this reconceptualisation. Finally, I develop a concrete explanatory model of bureaucracy-interest group interactions across cases and over time, based on the resource dependence reconceptualisation.

3.2 Reconceptualising bureaucracy-interest group interactions

Resource dependence theory has been developed as an instrument to understand organisational behaviour by examining the social context of organisations. According to resource dependence scholars, organisations are embedded in a network of interdependencies and social relationships (Aldrich and Pfeffer 1976; Pfeffer and Salancik 2003[1978]). They argue that organisations interact with each other to obtain resources they do not control themselves. Such dependencies may serve a mutual benefit, but can also be highly asymmetrical when one organisation controls the most important resources needed by another.

Resource dependence theory, when applied to interest group politics, is often used to explain variance in access of interest groups to public policy making, based on the resources they control that are useful for policy makers. Illustrative is the use of resource exchange to explain the access of interest groups to the different institutions of the European Union. The institutions’ varying needs for expertise or information explained the variance in access that certain interest groups were granted (Beyers and Kerremans 2004; Bouwen 2002; 2004).

Resources may come in many guises, but can generally be defined as the utilities an organisation needs to function effectively or even to survive. In their classic work, Pfeffer and Salancik (2003[1978], xii) defined resources to include financial and physical means, as well as information. Benson (1975) argued that
not only financial means but also grants of authority are essential resources an organisation should possess. Unlike neo-institutionalist theory, intangible assets such as legitimacy or political support can also be defined as resources in resource dependence theory (Scott 2001). For example, civil servants have been shown to establish relations with networks of interest groups to strengthen their position towards their political superiors (Carpenter 2001), or to enable smooth implementation, a strategy also known as cooptation (Selznick 1953). A final resource that is important throughout the implementation of public policy is the organisational capacity to actually deliver (urban) services, a key variable in policy network analyses of service delivery (O’Toole Jr., Hanf, and Hupe 1997; Kjaer 2004). The resources included in exchange relationships may thus be very different in nature and can range from financial means to political support and from authority to implementation capacity.

3.2.1 Assumptions of resource dependence theory

Having something important to offer is one thing that explains interactions. Yet, resource dependence theory rests on several additional assumptions to explain interorganisational behaviour. First, it is not a purely deterministic explanation of interorganisational behaviour. Resource dependence theory recognises that organisations may behave strategically to steer or manipulate interactions with other organisations as they wish to acquire the resources they need. This entails strategic decision making about how to minimise interdependence with some other organisations, while maintaining beneficial relations. Some argue that the core function of organisations is such resource acquisition and that decision makers are fully oriented towards resource acquisition and securing a supply of adequate resources (Benson 1975). The organisations or actors in question deliberately choose to interact with each other and to maintain their relationships. In other words: “The organisations involved in the exchange [of resources, CP] make an implicit or explicit cost-benefit analysis on the basis of which they decide with whom to interact” (Bouwen 2002, 368). Thus, an organisation has to make up its mind about who to interact with, which necessarily entails some room to manoeuvre or to make strategic choices.

Second, the role of subjectivity is important in selecting resources and the organisations from which to obtain these resources. Based on Weick’s (1967) concept of the ‘enacted environment,’ Pfeffer and Salancik (2003[1978]) argue that

5 Benson (1975, 232) defines authority as follows: “the legitimation of activities, the right and responsibility to carry out programs of a certain kind, dealing with a broad problem area or focus.”

6 This differs from other contextual theories, such as population ecology and (neo-) institutionalism. Each of these perspectives focuses on the environment to explain an organisation’s success or survival. Population ecology theory links natural selection processes to survival (Hannan and Freeman 1997; van Witteloostuijn 2000), whereas neo-institutional theory focuses on norms, values, and social expectations as key environmental factors influencing organisations (Pfeffer and Salancik 2003[1978]; Scott 2001). Both strands of literature implicitly treat the natural selection or norms and values, respectively, in terms of ‘an unseen hand explanation’ similar to the logic of supply and demand equilibria in micro-economics. Natural selection, in the case of population ecology, and norms, values and social expectations, in the case of neo-institutionalism, are treated as simply ‘out there,’ determining an organisation’s options for survival.

7 This responsiveness is necessarily limited, in the sense that conflicting demands or goals may arise and organisations can rarely respond to all conflicting demands (Pfeffer and Salancik 2003[1978]).

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organisations give meaning to their environment, implying that the environment is subjective. “Organisational environments are not given realities; they are created through a process of attention and interpretation,” according to Pfeffer and Salancik (2003[1978], 13). In other words, organisations not only objectively select the resources they need; they also select those resources based on what they perceive to be important. A good example is political attention to what in the Netherlands is called ‘radicalisation.’ Radicalisation refers to the development of religious fundamentalism or fundamentalism in a general sense. Although Islamic radicalism, right-wing radicalism, and environmental radicalism might entail an equal threat to state security, Islamic radicalism receives far more attention than the other two types of fundamentalism. Islamic fundamentalism is thus perceived to be a top priority in ensuring public safety. Many actions of the Dutch government can be explained by this perception, as well as the resources they accordingly need. Inside information, for instance, is important in addressing radicalisation, which renders immigrant organisations very useful partners for the Dutch government (Poppelaars 2007). In sum, resource dependence theory assumes that organisations subjectively decide what is important, which resources they need, and from whom it is best to obtain them.

Although resource dependence creates interdependence, such interdependence is not necessarily asymmetrical. This is another assumption underlying Pfeffer’s and Salancik’s resource dependence theory (2003[1978]). Interdependencies can also be symmetric, symbiotic or even asymmetric and symbiotic at the same time. Consider, for instance, a hypothetical interest group ‘Defending the Blind’ that receives subsidies from the government to organise get-a-job trajectories for the blind. Representing the blind is clearly the raison d’être of the organisation. Yet, it exists by the virtue of those governmental funds to organise the get-a-job trajectories. In this sense, the relation is clearly asymmetric. But it is symbiotic at the same time. ‘Defending the Blind’ receives government funds, and as result of this funding, it can continue its representative tasks. Vice versa, it contributes to an important target of the government: decreasing unemployment. Both parties gain in this asymmetric relationship. Interdependencies between organisations thus assume a certain power division. From a resource perspective, one organisation is more powerful than another because it is less dependent on other resources, has direct access to resources, or is the only provider of an important resource.

Resource dependence theory further assumes that organisations try to manipulate their environments. Organisations seek to obtain adequate resources. To do so, they are dependent on their position in the market and their power to affect the flow of resources. They not only adapt to the environment, but they seek to create the most favourable environment for obtaining resources by, for instance, influencing regulation via financial contributions to political parties or via providing support to governing coalitions in order to get access (Benson 1975; Nota Radicalisme en Radicalisering (Policy Memorandum Radicalism and Radicalisation; Parliamentary Papers, 2005-2006, 20754, nr. 26, 3).

8 ‘Power’ is usually defined as the ability of actor A to make actor B do what A wants him to do or severely affect actor B’s life (cf. McClelland 1996, 650). Power is extremely difficult to define (see Dahl 2005[1961]), and even more difficult to measure. Because of this, I refer to power in a general sense rather than a specific political concept throughout this study.
Pfeffer and Salancik 2003[1978] 188-222). As Pfeffer and Salancik (2003[1978], 190) note: “Organisational attempts to alter or adapt the external political or economic environment are almost limitless.” Economic regulation is a well-known example in which organisations not only adapt to but try to create the environment as well. Regulation policies are shown to often benefit the regulated industry, as a result of influential stakeholders (Posner 1974; Stigler 1971; Yackee 2005). In the language of the resource dependence theory, this is a result of individual firms manipulating the environment to minimise dependence.

Resource dependence theory assumes, in summary, that organisations interact with each other because they need resources that other organisations control. Such resources are very different in nature and include, for instance, financial means, political support, or a capacity to intermediate. Organisations subjectively decide what important resources are. Based on such a perception, they decide with whom they need to interact to obtain those resources. This necessarily entails strategic decision making. In addition, resource dependence theory assumes that organisations try to manipulate their interactions and their environment so as to minimise their dependence to finally achieve full autonomy.

3.2.2 Resource dependence between bureaucrats and interest groups

The idea of exchanging goods is a core element of resource dependence theory. As we have seen, the literatures on bureaucratic politics, interest group politics and policy networks share an implicit assumption of trading or exchanging goods. We can thus use this element of resource exchange to systematically compare bureaucracy-interest group interactions at a more abstract level.

Applying resource dependence theory to bureaucracy-interest group interactions assumes that variation in the types of resources controlled by interest groups results in variation in the interactions between them and bureaucracies. If interest groups do not control resources that are useful to policy makers, it will be hard for them to get access. Vice versa, if bureaucrats do not control or get access to appropriate resources, they will be less able to establish autonomy for their agency, to support their political superior, or to properly implement policy plans. In the approach taken here, each interaction between bureaucrats and interest groups will be defined as a resource exchange determined by two aspects: the characteristics of the resources in question, and contextual factors in the political-administrative environment.10 The first element allows a classification of these relations, while the second allows a systematic comparison. Concerning the characteristics of the resources in question, the following elements are important (Pfeffer and Salancik 2003[1978]): 1) the importance of a resource to the organisation(s) in question, 2) the discretion of an organisation to use that particular resource, and 3) the extent of an organisation’s control over a resource. By examining each of these characteristics, and how they vary under different circumstances, we should be able to fully specify a given situation of resource exchanges between bureaucrats and interest groups. Below, I first discuss the resource characteristics.

10 Implicitly, this assumes that every type of interactions can be characterised by a resource exchange. Indeed, even short informal talks often serve the exchange of some sort of information, yet contact for just making appointments would obviously not be characterised as a resource exchange.
Chapter 3

The importance of resources

Resources vary in their importance. And, as a consequence, a given dependency relation will be more severe when a particular resource is extremely important to a certain organisation than when it is not. A resource’s importance is determined by two factors: its relative magnitude within the total exchange, and its criticality to the organisation. The first component refers to the proportion that a resource constitutes of the total input or output of resources. One could easily imagine, for instance, that academic staff is an important resource of the total set of resources universities need to obtain to survive. They, however, do not necessarily make up the largest proportion of these resources. Students constitute a larger part of the resources a university needs to survive. The question is which of these two resources is more important for its survival?

This brings me to the second component of resource importance, its criticality to the organisation. By criticality, we mean the ability of the organisation to function effectively without that particular resource (Pfeffer and Salancik 2003[1978], 46). A ‘critical’ resource does not necessarily constitute the largest proportion of the organisation’s total input or output of resources. Consider the following example. A shipyard receives an order to build naval vessels to be used in UN peace-keeping operations. To build these vessels, the shipyard has to obtain several resources, such as material to construct the hull, and skilled engineers to prevent instability and other hydro-mechanical inconveniences. These resources, among others, allow these vessels to cruise the oceans. Yet, one important resource for them to become useful in UN peace-keeping operations is missing. Without any weaponry, these vessels will be unable to execute their main task of establishing, enforcing or maintaining peace. So, weaponry could be seen as the most important resource for this shipyard to obtain, despite its small proportion of the total amount of resources. This implies that the second dimension, criticality, is more important in determining the importance of a resource than its proportion to the total set of resources required by an organisation.

Based on this idea of criticality, we can rank resources based on their importance in enabling an organisation to determine what others have called the ‘most problematic dependency’ (Jacobs 1974). The most problematic dependency is the resource the organisation needs most to ensure its survival or to perform its tasks. Recall the example of racial violence in the city of New York, discussed in the introduction to this study. With knowledge of and contacts with key figures from the individual social groups, New York City might have been able to better probe the atmosphere in these communities. Communication channels could be termed a critical resource with which this crisis could have been prevented or more quickly solved, without having to resort to a massive use of police force. In this study, the importance of a resource will be defined in terms of being most problematic or critical to an organisation’s survival.

Discretion over and control of resources

It is not only the importance of a resource that determines a resource exchange relationship. Discretion over resources refers to the ability to decide upon the allocation or use of resources. This may include the actual possession of a resource, access to it, or the ability to administer its use (for instance, via regulation). The
extent of control over resources refers to the degree of concentration of a resource within a given number of organisations. In other words, how many organisations control a given resource? When the resource you desperately need is in the control of a single organisation, you fully rely on that organisation to obtain it. This explains why immigrant organisations, albeit relatively weak in terms of financial and human capital, have an important function for the Dutch government. They are the only ones who can provide proper access to certain groups within society (Poppelaars 2007). In analytical terms, these second and third dimensions, i.e., the discretion over and the control of a given resource, can be combined. If you have discretion to decide upon a resource, you will also be able to control it. Or, vice versa, control over a resource implies a possibility to decide upon its use and its allocation, which implies discretion at the same time. So, these two dimensions can be combined into a single dimension of ‘concentration of control over a resource’ (hereafter ‘concentration of resources,’ for convenience). In sum, two elements define a given resource exchange situation: the importance of resources, defined by its criticality to the organisation, and their concentration in the environment, defined by the number of organisations capable of controlling such a resource.

3.3 Resource dependence across cases

Bureaucrats and interest groups do not interact in a complete vacuum. Their interactions will vary across different political-administrative dimensions. Systematic variation of these dimensions thus should enable systematic comparison of bureaucracy-interest group interactions. In order to systematically compare, we need to distil the systemic effects of the political-administrative environment (see chapter 4). I will use the position of bureaucrats as the point of the departure in defining such systemic effects, thereby distinguishing between institutional and policy-related contextual variables. The systemic effects of the political-administrative environment that most significantly influence bureaucracy-interest group interactions are national interest representation regimes, the nature of political-administrative relations, the organisational culture, and the formal tasks of public agencies. Interest representation regime is often used as an important variable in explaining interest group behaviour and access, whereas political-administrative relations, organisational culture, and formal agency tasks relate to the immediate environment of bureaucrats, which is important in the bureaucratic politics literature. A second set of contextual variables refers to policy characteristics. Not just policy content, but also policy saliency, complexity and political sensitivity are likely to influence interactions between interest groups and bureaucrats. How policy is framed will also affect bureaucracy-interest group interactions. And finally, Europeanisation is an important factor to include. These variables relate to the literature on policy networks and interest group politics as

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11 In this study, as said, the bureaucrat will be the point of departure. To fully model bureaucracy-interest group interactions, one would need to include contextual dimensions important in explaining interest group behaviour as well. Yet given practical constraints, I opted for a focus on bureaucrats, implying that several contextual factors more important to interest groups are lacking in the model (but see chapter 6 for an empirical assessment of potentially relevant contextual factors in explaining interest group behaviour).
they are shown to be important in explaining interest group behaviour and interactions between interest groups and the government in general. Below, I will discuss each of these contextual variables more elaborately and hypothesise their effect on either resource concentration, resource importance or both.

### 3.3.1 National interest representation regimes

National systems of interest representation will significantly influence bureaucracy-interest group interactions, as they entail different ways of organising access for interest groups to government. The main difference of importance here lies in the extent to which access is institutionalised and hierarchically organised. Traditionally, pluralism refers to a political system with an emphasis on the primacy of groups, in which any interest can and will be represented, at least in principle (Dahl 2005; Truman 1951). Corporatism is an equally broad perspective and refers to a more restricted pattern of interest group involvement in policy making (Molina and Rhodes 2002; Schmitter 1985; 1989). Here, the institutions and arrangements for participation and interaction are established by the government and are highly institutionalised. In a pluralist system, however, participation and interactions are much less institutionalised. And whereas corporatism implies a dominant state, pluralism does so to a far lesser extent. Interest groups’ behaviour is inevitably affected by these organising principles, as are the choices of public bureaucracies to interact with them.

When we relate these organising principles to a resource dependence approach, bureaucrats in less-institutionalised systems have more options to choose among interest groups as partners to interact with, because access is less restricted than in highly institutionalised systems. The difference thus results in varying degrees of resource concentration. Due to the relatively highly institutionalised nature of interest representation in the Netherlands, for instance, civil servants may be less able to interact with interest groups that are not included in the institutionalised patterns or platforms of consultation. This means that the number of interest groups that have access to civil servants may be lower, which, in turn, results in higher resource concentration. So, we hypothesise that:

When national interest representation systems are highly institutionalised, the concentration of resources in the environment will be high. [H I]

### 3.3.2 The bureaucratic environment

Variation across national interest representation regimes is not the only important factor determining the political environment of bureaucrats. The organisational environment of bureaucrats is another important factor to take into account. In this study, the following variables will represent this organisational environment of bureaucrats: political-administrative relations, organisational culture, and a functional distinction between public agencies.

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12 I thus proceed from the organisational structure of interest representation. This reflects the key difference between what Schmitter (1989) terms concertation and corporatism (see chapter 2).
Why Bureaucrats Interact with Interest Groups

Political-administrative relations

How the political executive and (senior) civil servants relate to each other is an important factor to take into account as well. We thus need to examine how the political environment of bureaucrats touches upon their daily activities. For example, the composition of the government and constitutional characteristics are assumed to affect a civil servant’s relationship with the political executive.13 As a representative of an interest group observes:

Civil servants are usually loyal to their political executives. Yet if there is a weak minister or secretary of state, civil servants will just say to us: "Let’s see what we can do for each other." If the political executive shows strong leadership, however, the political beacons will be clearly set with less room to manoeuvre. Indeed, we see the games they play change when new political executives are in office.14

Political-administrative relations are likely to change when the government in office changes. One way to include such a ‘political spill-over effect’ on bureaucracy-interest group interactions is by examining political-administrative relationships. Political-administrative relations often refer to the extent of political control of the bureaucracy and the role in policy making bureaucracies normatively should, and empirically do have (see chapter 2). I refer to politicisation of the bureaucracy to capture such ‘political spill-over effects’. Politicisation in this case does not refer to the number of political appointees within a bureaucracy, but is defined as the nature of the tasks of a bureaucracy (Peters and Pierre 2004). From this definition, we can assume that the more the tasks of a bureaucracy become politicised, the more room to manoeuvre civil servants will have in interacting with interest groups. Such a politicisation will imply a need for different resources. Senior civil servants engaged in political-strategic decision making on infrastructural projects, for instance, will prefer political support rather than consultation on the nitty-gritty of technical aspects. So, when civil servants are engaged in political-strategic decision making, they will most likely need another mixture of resources than those who are not, or are to a lesser extent, engaged in political-strategic decision making. At first sight, a larger role of political-strategic insights in a bureaucrat’s job will result in a need for both different resources and a higher concentration of resources, since not all interest groups will be able to offer what the bureaucrat needs. For instance, a top civil servant at the department of macro-economics needs highly sophisticated models to anticipate future economic

13 This thus implies that I exclude institutional characteristics of constitutional design, the nature of the executive government and its political party system (cf. Pollitt and Bouckaert 2004; Lijphart 1999) as such from the analysis. For a model that focuses on interest groups as a point of departure, these factors may be more relevant as they directly influence the strategic decision making of interest groups as to where to seek access. Another feature of civil service systems that could be important is the distinct administrative culture apparent in different civil service systems. Two models are often invoked to explain administrative culture, ‘Rechtsstaat’ and ‘Public Interest’ (Pollitt and Bouckaert, 2004; see also Rutgers 2001), which represent variation in state dominancy in organising public interests. This idea of administrative culture only seems to indicate some general variations. In addition, the difference in dominant or non-dominant states is reflected by the variable of interest representation regimes. Therefore, I excluded it from the model.

14 Interview by author.
trends. Not every organisation would be able to offer the necessary information or contribute to meeting this need. So, we can hypothesise that,

When civil service positions require high levels of political-strategic insight, the importance and concentration of resources will be high. \([H_2]\)

**Organisational culture**

Organisational cultures consist of a set of norms and values determining how individual employees interpret the task of the organisation, their role within the organisation, and how he or she perceives the environment. As such, organisational culture will influence how bureaucrats interact with interest groups. Organisational culture may be an important aspect determining bureaucracy-interest group interactions, but a complicating factor is that it is notoriously difficult to examine systematically. Culture may apply to an entire national civil service system, or culture may differ from agency to agency within a nation’s civil service system (Pollitt and Bouckaert 2004, 54-63; Scott 2001). Also, while scholars see organisational culture as an important explanatory factor determining an organisation’s success or failure, it is one that is hard to cast in prescriptive typologies or hypotheses (Carpenter 2001; Wilson 2000[1989]). Inter-organisational classifications that now exist typically distinguish only between public and private organisations (Hofstede 1998) and not between various types of public agencies. The main challenge, then, is that we cannot ascertain what aspects of organisational culture will matter for any given organisation, or how to systematically compare such aspects across different organisations. In sum, there is considerable scholarly agreement about the importance of organisational culture as an explanatory factor for organisational success, but there are few, if any, agreed-upon theories that specifically relate aspects of organisational culture to how different types of organisations survive.

Wilson’s definition is an appropriate starting point to theorise about the effects of organisational culture on resource exchanges, given his external perspective on organisational culture. In his view, organisational culture is “a persistent way of thinking about the central tasks of and human relationships within an organisation.” And, “organisational culture consists of those patterned and

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15 I note that this relationship may be mitigated by the very same strategic position these civil servants occupy. As a result of their greater discretion, they will enjoy more leeway, allowing them to diversify the set of interest groups and perhaps even to dismiss those they do not approve of. This administrative leeway could thus mitigate a potentially high degree of dependence. For now, I exclude such potential mitigation effects from the hypothesis, as this effect is more uncertain than the main effect noted therein.

16 Carpenter differs from scholars such as Wilson in his view that bureaucracies do not necessarily require a culture (Carpenter 2001, 24, note 24). He defines bureaucratic culture as a prevailing metaphor of the organisation; therefore, the absence of a culture in his opinion exists if “employees and clients do not feel inclined to ‘consume’ any of the available metaphors, or when there are so many contending metaphors that none of them take hold.” His conception of bureaucratic culture as ‘buying into’ a prevailing and powerful metaphor precludes the possibility of employees adhering to existing practices that could well be part of an organisation’s culture, without consciously ‘buying into it’ and ignores the fact that refraining from adherence to a certain organisational metaphor can be defined a (sub)culture as well.

17 Such a lack of systematic research is attributed by some to the abundance of case studies characterising this field and the fact that nation states often remain the only available researchable unit of analysis (Hofstede 1998; cf. Pollitt and Bouckaert 2004, 54-63).
enduring differences among systems of coordinated action that lead those systems to respond in different ways to the same stimuli” (Wilson 2000[1989], 91, 93). In other words, behavioural norms within organisations allow similar organisations to respond differently to similar environments. This idea, among others, united the German army, a Texas prison and Carver High School. They all created a common understanding among their employees about the critical task of their organisation so that everyone complied with it. It distinguished their performance and success from fellow army organisations, prisons and high schools in similar circumstances.

The notion of a strong common understanding among the individual members of an organisation can explain variance in bureaucracy-interest group interactions. First, we might assume that an important factor in determining the perception of an interest group is the extent to which a public agency considers it a legitimate partner to work with. Such an idea of legitimacy directly relates to the question of whether interest groups represent broad or narrow interests within society. When they are perceived to represent broad interests and, in doing so, to contribute to democratic decision making, bureaucrats will be more responsive. On the other hand, if interest groups are assumed to only represent narrow interests, resulting in non-democratic decision making, bureaucrats will be less likely to be responsive. Put differently, if there is a strong common understanding within the agency that interest groups are legitimate partners, civil servants will be more inclined to interact with them than when they are perceived as illegitimate partners.

A next step is to relate the existence or non-existence of such a common understanding to resource exchanges. When there is a strongly shared bias against interest groups, bureaucrats are inclined to diversify the total set of organisations, including both interest groups and other types of organisations, and minimise contacts with interest groups. Illustrative is the case of a major fraud scandal in the Dutch construction sector (Bouwfraude). Its main interest groups had hardly any access to the ministry, because they were perceived to be untrustworthy (see also chapter 7). When there is a strongly shared bias toward interest groups, bureaucrats may be inclined to proactively reach out to various interest groups, in turn enlarging the set of interest groups they rely on. Both cases decrease the concentration of resources in the environment.18 In other words, organisational culture mitigates the effects of a dependence on interest groups, because it results in lower resource concentration. We can thus hypothesise that:

When there is a strong common sense within a public agency against or in favour of interest groups, the concentration of resources will be low. [H3]

**Functional differences between public agencies**

The functional distinction between different public agencies is also assumed to cause variation in bureaucracy-interest group interactions. An agency responsible for allocating agricultural subsidies, for instance, is likely to engage in interactions with different interest groups than those with which a policy advisory unit involved

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18 In theory, there are four different options: strong common sense against interest groups, strong common sense in favour of interest groups, weak common sense against interest groups, and weak common sense in favour of interest groups. I focus on the first two options, as a strong common sense entails an organisational culture that influences individual behaviour more than a weak common sense would do.
in strategic decision making on future agricultural policy will interact. Or, the nature of the interactions with interest groups is likely to vary between different agencies. To theorise about how functional differences result in variance of bureaucracy-interest group interactions, I use Dunleavy’s (1991) typology of functional differences as a point of departure. His typology is explicitly based on functional differences between government agencies. He distinguishes between several types of agencies, among them regulatory agencies, delivery agencies, taxing agencies, and control agencies (see Dunleavy 1991, 183-187).

We can derive a threefold functional distinction from Dunleavy’s typology that is particularly relevant to bureaucracy-interest group interactions, namely: policy advice, regulatory and service delivery agencies. This three-fold typology of government agencies is important for explaining variation in bureaucracy-interest group interactions. Policy advisory agencies are important, as the literatures on both bureaucratic politics and policy networks focus on policy making and decision making. Examples are the organisational subunits located in the ministerial departments responsible for policy development. Policy delivery agencies are also useful to include, as a supplement to the dominant focus on policy formulation in the policy network literature. In the Netherlands, the immigration agency (De Immigratie- en Naturalisatiedienst) is a good example of such service delivery agencies. Finally, much of the interest group literature concerned with bureaucracy-interest group relations seems to concern regulation. To incorporate both regulation and control and supervision, the category of monitoring agency is added to the classification used in this study. Examples are the Dutch authority for the financial markets (Autoriteit Financiële Markten) or the Dutch health care inspectorate (Inspectie Gezondheidszorg).

These functional differences can be related to bureaucracy-interest group interactions, as they demarcate tasks of civil servants and thus identify the resources civil servants need to accomplish their tasks. That is, agency tasks mostly relate to the importance of resources, as variation in agency types will relate to the different nature of resources needed. Advisory agencies may require expertise more often than their colleagues at service delivery agencies, or may need a different type of expertise. Service delivery agencies may consider implementation capacity more important than expertise. And, in the case of monitoring or regulatory agencies, both expertise and implementation capacity may be important. So, we can hypothesise that,

The importance of resources will vary across different types of agencies. [H4]

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19 See also Wilson (2000[1989], 159-171) for a functional typology of government agencies. According to Wilson’s classification, which he insists we must use with caution (Wilson, 1989, 159), other types of organisations are: procedural agencies (only outputs can be observed, e.g. mental hospital), craft organisation (only outcomes can be observed, e.g. army during wartime), and a coping organisation (neither outputs nor outcomes can be observed, e.g. schools). Interestingly, on the basis of the costs and benefits a certain policy issue generates, and thus different collective action patterns an agency faces, he constructs another agency-typology (client agencies, majoritarian agencies, entrepreneurial and interest-group agencies). It remains unclear, however, how these two typologies relate to each other, and, if so, whether and when they overlap.

20 This typology was developed in part to contrast with classic budget-maximisation models of bureaucratic behaviour (Dunleavy 1991, 174-209). Taken in isolation, it nevertheless serves as a useful starting point to theorise about how agency differences would influence bureaucracy-interest group interactions.
3.3.3 Policy characteristics

In the literatures on interest group politics and policy networks, variation in policy issues and policy sectors is important in explaining interest group behaviour or interest groups’ access to public decision making (see Baumgartner and Leech 1998). Several well-known policy typologies link content-related factors to variation in collective action patterns (Lowi 1964, 1972; Stone 1997; Wilson 2000[1989]). Yet, it remains difficult to deductively generate meaningful hypotheses on the relation between policy content and different types of collective action. The most pressing problem seems to be that these policy typologies assume that policy content results in different patterns of collective action. That is, they do not exclude the possibility that collective action patterns came first, and out of those patterns, certain public measures evolved (Baumgartner and Jones 1993; Stone 1997). Also, these typologies have mostly been constructed and subsequently applied in cross-sectional research. Over time, however, costs might turn into benefits for the very same constituents, and conflict might shift to consensus. Differently put, issue perception may change over time (Baumgartner and Jones 1993, 41-43). Recollect the immigrant integration issue discussed in chapter 1. It has been shown that issue perception, or framing, of immigrant integration policies in the Netherlands has changed over time. Whereas in the 1990s social and economic issues were important in framing immigrant integration, over recent years, issues of culture and religion within a diverse society have become increasingly important (Poppelaars and Scholten 2008). This shift in issue perception may have consequences for getting access. Furthermore, several policy areas could contain regulative and redistributive elements. Agriculture, for instance, generally classified as a regulative policy area (Ripley and Franklin 1986; Blom-Hansen 2001), contains redistributive elements as well, such as subsidies to farmers in Europe and the tariff barriers they entail. And one could argue that every policy issue is in essence redistributive in nature, as redistribution or dispersal of negative consequences of citizen behaviour usually is the main goal.

In sum, these typologies help to signal different collective action patterns that are potentially related to issue content. However, they do not provide a firm basis from which to estimate the precise direction of the relationships between specific policy issues and certain types of collective action patterns (or vice versa). When theorising about variation in bureaucracy-interest group interactions across policy issues, we thus need to distil other characteristics of policy content likely to influence those interactions. Below, I discuss how issue salience, policy complexity, and political sensitivity relate to resource exchanges.

The salience of an issue

Let me first consider issue salience. Kollman (1998), for instance, combines issue salience, i.e. whether the public is inattentive or attentive, with issue popularity to explain interest group strategies to gain access and exert influence. However, whether or not issues are salient, interest groups will seek to exert influence whenever their private interests are negatively addressed by policy proposals. In other words, it is not a matter of if, but a matter of how they will do so. Indeed, interest groups adapt their strategies when issues become more or less salient (see for a discussion of the literature: Lowery and Brasher 2004, 175-177). Over recent
decades, immigrant integration has become a very salient issue in the Netherlands, thereby enlarging its scope of activity. It has developed from an issue of guest workers to an all-encompassing issue that is perceived to influence many aspects of society, including education, public safety and the labour market. Accordingly, the number and type of organisations and interest groups involved in the issue have been expanding. We now find not just traditional immigrant organisations, but also professional organisations, educational organisations, housing cooperations and so on. The number of organisations the government has to deal with to address this issue has increased over time. Issue salience thus matters for bureaucracy-interest group interactions as well. Once an issue becomes salient, resource concentration will decrease, as it moves from a ‘hidden’ issue to a ‘more visible’ issue about which other interest groups in society might have something to add. So, it seems that bureaucrats should benefit when issues become salient and we can thus hypothesise that,

When issues are salient, the concentration of resources in the environment will be low. [H5]

The complexity of an issue
The complexity of certain policy issues is also likely to result in different patterns of collective action. Complexity, or technical complexity, refers to the extent to which understanding of a specialist or expert is required. Or, according to Gormley (1983, 89-90), the problem requires in principle a professional appraisal rather than a normative account. Financial instruments and regulations to monitor financial markets are technically complex and usually require a high standard of professional expertise. Constructing innovative dams, bridges, and other devices to prevent the Netherlands from flooding needs highly technical expertise, which only a few organisations can offer. Complexity, in Gormley’s definition, thus certainly would matter for bureaucracy-interest group interactions. High complexity means that resources will be highly concentrated and civil servants have little leeway to make strategic choices about with whom to interact. Thus, we can hypothesise that,

When issues are technically complex, the concentration of resources will be high. [H6]

The political sensitivity of an issue
Gormley (1983) combines technical complexity with what he terms ‘consumer conflict’ to explain the effectiveness of advocacy. Consumer conflict refers to the impact that policies might have and is high when a policy proposal is expected to benefit some people at the expense of many others. The rise of oil prices, for instance, is likely to become an issue with potentially high consumer conflict. Higher oil prices perhaps benefit the oil companies and petrol stations, but they are a strong disadvantage for transport companies and individual citizens when

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22 This may change, however, when the negative consequences of such technical financial instruments touch upon the daily lives of citizens, such as in the 2008 sub-prime mortgage and credit crises. Even highly technical issues may thus ‘tip over’ to issues involving highly normative accounts.
refuelling their cars. Both dimensions, technical complexity and consumer conflict, generate different options for either grass-roots advocacy (citizen groups) or proxy advocacy (government organisations representing residents from a certain jurisdiction in another government organisation’s proceedings). The 2007-2008 sub-prime mortgage crisis, for instance, has moved from a highly technical issue with low consumer conflict to an issue characterised by high complexity and high consumer conflict. Relatively few people benefit, whereas many suffer.

We may redefine Gormley’s notion of consumer conflict in somewhat different terms to come to a sense of what is called political sensitivity. Politically sensitive issues not only potentially generate high consumer conflict, but, as a consequence, they will also give rise to conflict in parliament and thereby threaten the position of a political executive. Politically sensitive issues require civil servants to find an appropriate mix of interest groups with which they can interact to perform their job. The extent to which civil servants can diversify the resources they rely on to ground their advice and policy plans will matter considerably in politically sensitive issues. So, this tendency to diversify resources (Beyers 2004; Beyers and Kerremans 2004) will be even more important for politically sensitive issues than is normally the case. Politically sensitive issues may not only require a large amount of expertise to design a solid policy proposal. Obtaining legitimacy may be even more important. The recent public health reforms in the Netherlands not only required expertise on how to design a system in which insurance companies could properly cope with the insurance risks, how to implement market principles, and how to improve actual health care. These reforms also required, apart from the technical details, the approval of those involved in public health care. Obtaining expertise was one important element in this case: legitimacy and the need to ensure the appropriate amount of implementation capacity were perhaps even more important. The importance of various resources increased dramatically in this case. So, in terms of resource exchange, the importance of resources becomes more relevant in politically-sensitive issues. We can thus hypothesise that:

When issues are politically sensitive, the relative importance of resources will be high. [H7]

3.3.4 Two additional contextual factors

Apart from factors specifically related to policy characteristics, two more abstract factors can be identified that are important in the interest group and policy network literature to explain group behaviour: the influence of ideas, or, ‘framing.’ And, secondly, Europeanisation in the context of EU member states. I discuss their effect on bureaucracy-interest group interactions more generally below.

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23 When complexity and consumer conflict are high, neither grass-roots nor proxy advocacy is effective (Gormley 1983). In these circumstances, we usually see a policy problem that lacks a solution or for which the outcomes cannot be easily perceived and there is a (fundamental) lack of agreement among the important actors about the nature of appropriate solutions. When issues are highly complex and there is low conflict, issues remain far from the public agenda (cf. Baumgartner and Jones 1993, 41).

24 Discussion based on interviews by author.
The influence of ideas

Ideas matter in public policy making. They help certain issues to hit the political agenda when they fit the current dominant perception of what is important and what is not (Baumgartner and Jones 1993; 2005). They also help us to evaluate policy, learn from past experiences, adapt policy programs where necessary (Hall 1993), and to explain how policy develops and improves. Ideas may have different names, such as policy frames, policy paradigms, dominant world views, and policy discourse (Howlett and Ramesh 2003). What these different concepts essentially entail is a shared perspective on how the world works. In that sense, Weick’s (1969) idea of enactment of the environment, important in Pfeffer’s and Salancik’s (2003[1978]) resource dependence theory, is nothing more than a set of ideas that determines how organisations and their members interpret their environment.

Indeed, why do we perceive Islamic fundamentalism to be much more dangerous than Christian or Jewish fundamentalism, since all three are capable of resulting in a similar intolerance (Stern 2003)? Or, why did the Dutch environmental planning agency (NPM) struggle until 2006 to get its climate message heard, while in 2008 it is successful in doing so? Major shifts in ideas by powerful agenda setters help to bring about a different perception of what is important or what is in desperate need for governmental action. Interest groups may be part of the policy communities either defending the status quo or trying to change it (Baumgartner and Jones 1993). Ideas thus will matter for bureaucracy-interest group interactions.

Ideas will determine who gets access or not, which resources are important, and to what extent such resources are concentrated within a given environment. When climate change, for instance, is predominantly framed as an economic issue (for instance, in terms of sustainable development and corporate responsibility), the set of organisations from which to obtain resources is much larger than when it is framed as environmental protection or wildlife preservation. The type of resources will be different as well. Political support is perhaps much more important when national governments and the EU want to adopt stringent regulations to stimulate corporate responsibility among larger companies than when they want to add the house sparrow to the list of protected species. Such ideas may not only affect a single policy area, they may well have broader implications. Our current perception of Islamic fundamentalism in the Netherlands has a spill-over effect to, among other issues, public safety (how do we avoid terrorist attacks?), education (how do we prevent immigrant youth from dropping out and radicalising?), emancipation (how can we make sure that women from Islamic communities enjoy freedom of choice?), and even civil rights (what is more important to us, freedom of speech or freedom of religion?). Ideas, or framing, thus can be seen as a contextual variable that may operate at different levels of analysis. Returning to bureaucracy-interest group resource exchanges, we may assume that the current set of ideas on a particular policy or societal phenomena will influence both the importance of individual resources as well as their concentration in the environment.

25 Private communication with members of the Dutch agenda setting project.
Enlargement of the environment
A final contextual factor to take into account, for European Union member states in particular, is that the institutional environment is not a given and fixed entity. European member states are increasingly confronted with a supranational governmental body that influences their internal and external affairs. As ‘project Europe’ steadily progresses, interactions between bureaucrats and interest groups are likely to be affected by what is often termed ‘Europeanisation.’ Europeanisation is a many-sided phenomenon (Olsen 2002), but a basic definition would at minimum entail the influence of Europe’s supranational arrangements and laws on national institutions (Kohler-Koch 1997; Marks, Hooghe, and Blank 1996).27 With respect to interest groups, Europeanisation is usually seen as influencing interest group strategies, as they endeavour to represent their interests when an additional level of government has emerged. The evidence of which governance level is more important to interest groups remains somewhat mixed. It seems, however, that despite ongoing Europeanisation, the national level remains the main target for national interest groups, although they engage in additional strategies to lobby Brussels (Beyers 2002; Visser and Wilts 2006; Wilts 2001).

In applying the argument to public bureaucracies and interest group interactions, a similar process is assumed to occur. Thus, while the environment and the number and type of actors within it in principle steadily expand, the main interactions will occur between national bureaucrats and national interest groups. Yet, similar to the studies on interest groups, both actors are assumed to employ additional strategies and engage in supranational or international interactions as well. As has become clear from the existing literature, Europeanisation is an ongoing process, the impact of which will vary from issue area to issue area and country to country. Additionally, it will depend on the degree of required compliance (regulation, directives, or the Open Method of Coordination) and the date of joining the EU. In the case of the Open Method of Coordination, for instance, Europeanisation will proceed slower given its noncommittal nature.

Given these multiple influences and the ongoing debate whether Europe influences member states or vice versa, it is difficult to pinpoint the precise direction of influence Europeanisation will have on bureaucracy-interest group interactions. On the one hand, we may assume that Europeanisation enlarges the environment. This renders the degree of dependence for bureaucrats less severe, since more organisations will be available to obtain resources from. In this case, Europeanisation results in lower resource concentration. Yet, on the other hand, EU policy making will demand a different type of resources, which may not be readily available within the current environment, thus resulting in higher resource concentration. Another effect could be that interest groups consider EU access to be more important than national access, rendering national civil servants more dependent on national interest groups. Furthermore, the ‘EU factor’ matters in different ways across different policy areas.

27 Any definition of Europeanisation is not complete without taking into account its reciprocal nature. Differently put, studies of Europeanisation always suffer from the chicken-and-the-egg problem of what comes first, as national member states provide input for European decision making and European regulations affect national regulations in turn.
Chapter 3

Given its many-sidedness, it would go beyond the purpose of this study to include it as a full explanatory variable in the model. Nonetheless, it remains a factor too significant to fully ignore and, therefore, it will be taken into account in the analysis in a more inductively-oriented fashion. A general impact of Europeanisation will be assessed, but concrete effects will not be hypothesised. It is left to the empirical analyses to reveal if and to what extent Europeanisation has an effect on the degree of dependence characterising national bureaucracy-interest group interactions.

3.3.5 A multidimensional view on resource dependence

As discussed above, bureaucrats and interest groups do not interact in a complete vacuum. The resource dependence assumed to characterise the relationships between these two sets of actors is thus undeniably affected by the political-administrative environment in which these interactions occur. I hypothesised that several contextual factors affect resource dependence between bureaucrats and interest groups, by stating their effect on either resource importance or resource concentration. These effects are listed in table 3.1.

Table 3.1 The effect of contextual factors on the resource elements

<table>
<thead>
<tr>
<th>Contextual factors</th>
<th>Effect on resource elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest representation regime</td>
<td>When national interest representation regimes are highly institutionalised, the concentration of resources will be high.</td>
</tr>
<tr>
<td>Political-administrative relations</td>
<td>When civil service positions require a high level of political-strategic insight, the importance and concentration of resources will be high.</td>
</tr>
<tr>
<td>Organisational culture</td>
<td>When there is a strong common sense within a public agency against or in favour of interest groups, the concentration of resources will be low.</td>
</tr>
<tr>
<td>Agency type</td>
<td>The importance of resources will vary across different types of agencies.</td>
</tr>
<tr>
<td>Policy area</td>
<td>When issues are salient, the concentration of resources will be low.</td>
</tr>
<tr>
<td>Ideas</td>
<td>Dominant ideas will affect both resource concentration and resource importance.</td>
</tr>
<tr>
<td>EU</td>
<td>Europeanisation will affect both resource concentration and resource importance.</td>
</tr>
</tbody>
</table>

3.4 Resource dependence over time

Using the reconceptualisation developed in the previous section, we can compare whether, when, and to what extent bureaucrats are dependent on interest groups or vice versa. In other words, we can distinguish a bureaucratic entrepreneur from an interest group entrepreneur under different circumstances. An assumption underlying this model is that their behaviour is grounded in strategic rationality, an important yet implicit point of departure from the original resource dependence theory (Pfeffer and Salancik 2003[1978], 188-222). Put differently, resource dependence theory assumes that it is possible to end a relationship when it no longer suits your interests.28 Indeed, why continue interacting when an...

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28 The term strategic choice, and accordingly the terms strategic, anticipatory, and habitual rationality indicate how choices of either bureaucrats or interest group to obtain resources may be restricted or favoured

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organisation cannot deliver the resource you need? Contemplating a long-term perspective immediately draws attention to potential limits to strategic rationality. It may well not be possible for the actors involved in the exchange relationship to end these interactions. In this case, other types of rationality will determine the interactions. But what types of rationality could be involved other than strategic rationality? Two theories may offer useful insights on the nature of such choices, namely long-term perspectives on decision making in the rational choice literature and historical institutionalism.

Let me first consider the long-term perspectives on decision making in the rational choice literature. Strategies of rational actors differ between single and repeated interactions, which are an important implication of adding a time dimension in decision making. Unlike single interactions, actors in a relationship that is assumed to take place repeatedly will take as an initial step a cooperative rather than non-cooperative position (Ostrom 1998; Ostrom and Walker 2003). This means that when interactions are assumed to take place repeatedly with the same actor, the actors in question are not likely to choose an initial action that fully maximises their own interests and entails negative consequences for the other actor. Reciprocity then becomes an important norm for repeated interactions. If you choose to cooperate initially, you want the other actor to cooperate afterward. One of the most well-known reciprocity strategies is *tit-for-tat*: First cooperate and then do whatever the other actor has done during the prior interaction (Axelrod 1984; Ostrom, 1998, 10).

Even in highly unlikely situations, cooperation on the basis of reciprocity might arise. For example, soldiers of hostile armies involved in the WW I trench war displayed often implicit but effective ways of cooperating with the enemy based on the logic of reciprocity. It is fairly easy to shell hostile food-supplying troops on the road to the trenches. However, you obviously can expect an equally heavy attack the next day when food suppliers bring your daily meal. Instead, trench soldiers on both the French and the German sides refrained from such attacks. Both sides developed a shooting scheme such that the other side knew when it was safe to crawl out of their trenches to have dinner. Their behaviour was based on tacit but essential reciprocity (Axelrod 1984). During interactions that take place repeatedly over time between the same actors, it has been shown that trust is positively related to successful interactions (Hardin 2002; but see Axelrod 1984, 174).

The longer interactions take place, the less likely it is that actors will behave opportunistically (Judge and Dooley 2006). If the actors can foresee that interactions will take place repeatedly and over a considerable period of time, they are likely to reciprocate. Diamond dealers, for instance, are famous for exchanging millions of dollars with a simple hand shake and a verbal agreement (Axelrod 1984, 177-178). They know that they will deal with each other in the near future, so it is no use cheating or pursuing other non-cooperative strategies.

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by the context in which they take place, by anticipating (un)intended consequences in the near future, or by choices made in the past. In this sense, their use resembles yet is somewhat different from how these concepts are used in rational choice theory.

29 Tit-for-tat, however, may also end up in a non-cooperative trap when one of the actors chooses a non-cooperative strategy as his/her first action.
Returning to resource exchange, we see something of the logic behind reciprocity strategies. Scharpf (1999, 19) argues that: “The ‘network’ metaphor is justified by the fact that the set of participants specialising in certain policy domains is likely to remain relatively stable, and that semi-permanent patterns of mutual support or opposition are likely to emerge over time.” Pfeffer and Salancik (2003[1979], 27) also note that interactions or dependencies are likely to persist over time, because they reduce uncertainty for participants. If interactions to obtain resources are successful, there will be incentives to retain these relationships. In other words, the desires to reduce uncertainty and increase trustworthiness become more important incentives to maintain relationships.

The bottom line is that when taking into account time, strategic choices still seem to underlie long-term interactions. Yet, such strategic choices are particularly constrained by the consequences participants envision to happen in the near future. For example, you might trust the person or organisation in question too much to end your relationship, the interaction might be too important in reducing uncertainties, or perhaps you know that you will need the other organisation or person in question in the foreseeable future. In other words, when the anticipated costs of terminating the interactions are too high, one will or cannot end the interaction. When applied to bureaucracy-interest group interactions, bureaucrats may maintain interactions precisely because of these reasons. So, rather than being the result of strategic rationality, bureaucracy-interest group interactions may well be the result of anticipatory rationality. Both are strategic in nature, yet anticipatory rationality emphasises consequences in the near future of today’s interactions.

Bringing in a long-term perspective, however, also raises the possibility of the absence of conscious or strategic choice. As Axelrod (1984, 173) notes: “The evolutionary process allows the successful strategies to thrive, even if the players do not know why or how.” Pfeffer and Salancik (2003[1978], 82) also state that interactions may result from commitments from the past. Not only a shadow of the future, but also a legacy of the past points to mechanisms that allow bureaucracy-interest group interactions to thrive. Put differently, relations between bureaucrats and interest groups may become ‘sticky,’ not only because actors intend these interactions to last, but also because those interactions could become a repetitive pattern over time without the actors consciously choosing that they become so. As a respondent reflects on the annual spring and fall meetings of the Dutch government with employers and labour unions: “We merely perform a ritual dance. Every year, we strongly oppose each other, for instance in terms of wage claims, just for the sake of it.” Organisational behaviour may be quite resilient even when it does not result in efficient or effective outcomes.

The key question for this study is whether or not such interactions serve a rationally-chosen purpose even when they do not seem to be effective or efficient. An answer to this question may lie in the literature on path dependence. Could inefficiency and ineffectiveness in long-term interactions also be the result of a rational or strategic choice? The quest for efficiency can be considered an axiom in economics. Actors are assumed to pursue strategies that eventually result in the most efficient outcome. Outcomes will always end up in equilibria of maximum

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30 Interview by author.
efficiency because of decreasing returns. This means that each move away from an
efficient equilibrium will be opposed by a countermove back towards that same
equilibrium. If oil prices rise (move away from equilibrium), conservation will
increase and new energy sources will be explored and exploited. As a consequence,
oil prices will drop (move toward original equilibrium) (Pierson 2004). Decreasing
returns, or in political science language, negative feedback, are processes that
promote stability. Perturbations away from the equilibrium are particularly
difficult, as the system forces a return to the equilibrium of optimal efficiency. In
politics, such negative feedback is often constituted by counter mobilisation,
resulting in a stable political status quo characterised by incremental changes
(Baumgartner and Jones 1993; Becker 1985).

The problem with this reasoning is that not all equilibria are efficient or the
optimal solution to a problem. To explain such suboptimal outcomes, economists
developed the idea of increasing returns as opposed to decreasing returns. Moves
away from equilibrium benefit particular actors, who then have strong incentives to
pursue a particular course of action (Pierson 2004). Put differently, in the case of
increasing returns, the marginal benefits of moves away from equilibrium become
larger rather than smaller as is the case with decreasing returns.

The concept of increasing returns is explicitly tied to economic theory, as it is
used to explain inefficient outcomes. General terms that indicate similar
mechanisms without an exclusive focus on efficiency, such as positive feedback or
self-reinforcing mechanisms, are often used in political science to explain
suboptimal outcomes (Baumgartner and Jones 1993; Pierson 2004). In politics,
reinforcing mechanisms are said to occur when, under initial conditions, several
outcomes are possible so that multiple equilibria can evolve. When multiple
equilibria are possible, other factors such as contingencies, small events, and
timing seem crucial in determining which particular equilibrium will be realised.
Once steps are taken along a certain path, negative feedback mechanisms similar to
the case of optimal equilibria will ensure that this path will be pursued for at least a
while (Pierson 2004, 44). In general, reinforcing mechanisms “induce further
movement in the same direction such that over time it becomes difficult or
impossible to reverse direction” (Mahoney 2000, 512).

Put differently, reinforcing mechanisms result in the institutional reproduction
of a suboptimal or optimal outcome. When, at a certain time, multiple equilibria
are possible, small events, contingencies and timing may explain the emergence of
a suboptimal situation. In the case of optimal equilibria, the resulting outcomes are
the most efficient or optimal solutions for a wide range of stakeholders. Moves
away from an efficient equilibrium in the market affect both consumers and
producers, for instance. In the case of suboptimal equilibria, initial circumstances
allowed actors to pursue a path resulting in a suboptimal solution. The most
important and influential stakeholders decide upon a course of action that suits
their interests. Once the suboptimal equilibrium is established, it will be resistant
to change as well, but a smaller set of stakeholders profits from the equilibrium. In
the case of a suboptimal demand-supply equilibrium, for instance, consumers
often pay the price, literally.

So, the stickiness of relationships may also result from strategic choices by
actors willing to retain relations as the situation suits their interests. Several
mechanisms of behavioural persistence result in strategic choices to follow a certain path (Simon 1997[1947]). In Simon’s view, certain behaviours persist because of three mechanisms. A first mechanism concerns what he terms sunk-costs: the costs of pursuing certain behaviour, albeit inefficient, are less than those involved in changing paths. In other words, the investments already made prohibit a change of direction. Secondly, the activity itself may generate stimuli that ensure completion. A page-turner exactly does the trick: you do not want to stop reading before you have reached the final page of the book. Finally, what Simon terms make ready costs allow behaviour to persist. Once a routine has been developed, it is easier to continue in that direction because of the time such a routine saves, in contrast to the time-consuming business of exploring new behaviours (Simon 1997[1945], 105-106). The costs of changing paths (sunk costs and make ready costs) as well as the benefits arising from the activity or institution itself cause the path to be continued. These mechanisms apply to both intra- and inter-organisational behaviour. In politics, these mechanisms are also visible, but they are differently guised. Counter-mobilisation could result from high costs involved in changing paths or from the stimuli an institution generates for a group of stakeholders.

Literature on path dependence is often concerned with explaining suboptimal outcomes by processes of negative feedback. Yet, behaviour persistence, or routines, may be a long-term reflection of an initial rational choice that still meets the purpose for which it was originally designed. In Simon’s words (1997[1947], 89): “Even if an actor has developed a procedure quite deliberately and consciously, it may in time become wholly habitual, but still retain the same utility and purpose.” A fundamental difference between the shadow of the future and the legacy of the past thus seems to be the difference between anticipatory and habitual rationality. A shadow of the future constrains the set of choices that can be made by incorporating considerations on potential consequences in the near future. For instance, when it has become more important to reduce uncertainty than maintaining the interactions per se. Yet, such choices still seem to be made deliberately and consciously. That is, one is trying to make the best of a given situation, but is constrained in his or her options to do so by future consequences.

The legacy of the past might have started with a rational and conscious choice, but gradually it has become a habit or routine. Sunk costs, make ready costs, or stimuli generated by the activity itself result in reproduction of an activity. This is what Simon calls habitual rationality. When habits take over, however, and are no longer the best answer to the problem posed by the environment, we may define it as institutional reproduction of a suboptimal solution, which is often denoted as path dependence in the literature. Both the shadow of the future and the legacy of the past thus induce different types of choices that are grounded in different behavioural logics. The shadow of the future points to anticipatory rationality, whereas the legacy of the past points to habitual rationality which may or may not reflect an optimal situation. Accordingly, we can hypothesise that,

When interactions between bureaucrats and interest groups cannot be ended, resource dependence between bureaucrats and interest groups will not only be based on strategic rationality, but also on anticipatory or habitual rationality. [118]
3.5 Modelling bureaucracy-interest group interactions

In the previous sections, I have discussed a reconceptualisation of bureaucracy-interest group interactions to allow systematic comparisons of bureaucracy-interest group interactions, both across cases and over time. The underlying assumption of this reconceptualisation is that bureaucracy-interest group interactions can be conceptualised as resource exchanges. Based on resource dependence theory (Pfeffer and Salancik 2003[1978]), the argument is that bureaucrats and interest groups interact because they need resources from each other in order to perform their tasks. Those resource exchanges are determined by both the importance of the individual resources and the extent to which these resources are concentrated in the environment. Thus, by measuring both resource importance and resource concentration, we should be able to establish a degree of dependence that, in turn, characterises the relationship between civil servants and interest groups. This degree of dependence can then be used to distinguish among the explanations of bureaucratic politics, interest group politics and network studies. To systematically compare the nature of these interactions, institutional and policy-related contextual variables have been included. A long term perspective, finally, draws attention to two rival explanations. That is, rather than a result of strategic rationality, resource dependence between bureaucrats and interest groups may also be the result of anticipatory and habitual rationality.

Thus, a reconceptualisation of bureaucracy-interest group interactions enables systematic comparison of these interactions over time and across cases. A final step, then, is to translate such a reconceptualisation into a concrete explanatory model of bureaucracy-interest group interactions. Applying resource dependence to bureaucracy-interest group interactions, however, requires some assumptions, in particular about bureaucratic behaviour. I discuss these assumptions first, before developing the model itself.

3.5.1 Assumptions of a resource dependence model

A first important assumption underlying a resource dependence model is that resources are scarce. Indeed, if resources are widely available to the organisation in question, i.e. the organisation is able to control or possesses a certain resource itself, there will be no reason for it to interact with other organisations to obtain that resource (Levine and White 1961). What is more, classic resource dependence theory, due to its strategic rather than deterministic point of departure, assumes that organisations in the end seek to obtain full autonomy or at least try to minimise their dependencies (Pfeffer and Salancik 2003[1978]). Applying resource dependence theory to model bureaucracy-interest group interactions thus assumes that, first, bureaucrats are to some extent responsive to their environment and second, that bureaucrats enjoy some degree of autonomy.

The fact that governments purport to act out of a general public interest as well as from democratic accountability distinguishes a public organisation from a private one.31 Public organisations have to be democratically accountable to the

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31 Many scholars have tried to demarcate what is public and what is not (see Pesch 2005; Rutgers 2004). But to date, there is considerable debate over whether there is a clear-cut public-private dichotomy or rather a
public. And, to preserve their legitimacy, states must to some extent be responsive to the demands of their citizens and their organised entities, and so must their public bureaucracies. These two key characteristics justify the use a resource dependence approach to model bureaucracy-interest group interactions.

Public bureaucracies in democracies, however, cannot achieve full autonomy. Their formal function within a state, their relation to their political superiors, and their relations with citizens, whether collectively organised or not, do not permit full autonomy in the sense that private organisations might enjoy. Resource dependence theory explains how organisations respond to their environment and how they try to improve their relative position towards other actors in the environment in a search for autonomy. As has become clear from my discussion of political-administrative relations as a contextual factor, I assume that bureaucrats enjoy some degree of administrative leeway and thus a sense of at least some political or contingent autonomy. Bureaucratic autonomy is, however, not equivalent to full administrative freedom (cf. Carpenter 2001). Rather, it entails the ability, at maximum, to influence the preferences and choices of politicians or the public within an existing framework of general (legal and formal) constraints.

So, this research proceeds from the assumption that public bureaucracies behave in a democratically accountable way and are thereby responsive to citizens’ demands. Second, it acknowledges both a certain degree of politicisation of bureaucracies and a certain amount of administrative leeway, which both entail some room for strategic choices to be made.

Now that the underlying assumptions are made explicit, the actual model can be discussed. This discussion will proceed in several stages. First, a core model of resource dependence between bureaucrats and interest groups will be developed. The second stage adds the comparative element to the model by including the contextual factors. And, finally, I include the rival rationalities that may underlie resource dependence between bureaucrats and interest groups.

3.5.2 Explaining bureaucracy-interest group interactions
In principle, Pfeffer and Salancik (2003[1978]) offer an elegant and parsimonious explanation for interorganisational behaviour that we can apply to bureaucracy-interest group interactions. When we are able to measure both the importance of resources and the concentration of resources, we will be able to characterise a given situation of resource exchange. That is, both elements define the degree of dependence between two sets of actors. By interpreting the value of the degree of dependence, we can characterise the relationship between bureaucrats and interest groups.
groups. I include two additional elements to properly apply resource dependence theory to bureaucracy-interest group interactions. The first is the relationship between resource importance and resource concentration. Second, we must isolate resource concentration within the interest group environment from resource concentration in a broader environment.

Let me start with the first element. When more than one resource is involved in the exchange relationship, we need to know the relative ranking of the resource in terms of its importance and its availability in the environment. For instance, suppose that an interest group offers both expertise and intermediary capacity in an exchange with a bureaucrat. Both resources may not be equally available in the environment. This particular interest group could, for instance, be the only one that has such an intermediary capacity to offer, yet is among ten others to offer the expertise the civil servant in question needs. In addition, we need to know what is more important to the civil servant in question, expertise or intermediation capacity. For simplicity, I assume that every resource is characterised by a certain importance and that the end result of a dependence relation is the sum of both the importance and concentration of resources for each individual resource that is exchanged in a given bureaucracy-interest group interaction.

Second, in Pfeffer’s and Salancik’s (2003[1978]) definition, concentration of resources is an aggregate measure. It measures the concentration of resources within a broad environment of organisations. Had a general examination of resource concentration in the bureaucracy’s environment been the subject of study, an aggregate measure would have been sufficient. As the focus of this study is bureaucracy-interest group interactions, however, an estimate that distinguishes between the concentration in the interest group environment and the remainder of the environment is necessary. When we want to know the extent to which resources are concentrated in the interest group environment, we need to isolate this particular environment from a broader environment of organisations. Indeed, interest groups are not the only organisations that have resources to offer bureaucrats. And, vice versa, bureaucrats may prefer to obtain certain resources from other types of organisations, such as highly qualified research institutes, rather than from interest groups.

So, resource concentration needs to be subdivided into what I term here ‘inside resource concentration’ and ‘outside resource concentration.’ Inside resource concentration refers to the types of resources that are available within an interest group community or population. Outside resource concentration refers to the availability of resources within a broader environment of organisations, being a diverse array of organisations that includes not just interest groups, but also advisory councils, research institutes, or consultancy firms. By distinguishing these two types of resource concentration, we are able to isolate resource concentration within the interest group environment from a broader organisational environment in general. By summarising these arguments, we find the following model:
Chapter 3

\[ D = \sum_{r=1}^{N} (I_r + C_{ir} + C_{or}) \]

where,
\[ D \] = degree of dependence of a given bureaucracy-interest group resource exchange relation
\[ I = \] the importance of a particular resource (the value attributed to a particular resource)
\[ C_i = \] inside concentration of a particular resource (the number of interest groups that control a particular resource)
\[ C_o = \] outside concentration of a particular resource (the number of other organisations that control a particular resource)

The model outlined here provides a first indication of how resource concentration and resource importance can be related to each other and how they may determine the degree of dependence characterising the relationship between bureaucrats and interest groups. It is not my aim to develop a full formal model in this study. Yet, the advantage of a rudimentary formal model is that it emphasises those elements we can estimate and separates them from those we cannot, thus attributing to transparency in building the model and pointing to gaps in the theory (see also chapter 8). With this model, we are able to measure the degree of dependence in bureaucracy-interest group interactions based on the importance of resources and their concentration in the environment. It further reflects a degree of dependence when all contextual factors are held constant. Put differently, when various political-administrative contextual variables are included, the impact of resource importance and resource concentration on the final degree of dependence are likely to vary. This comparative aspect of the model will be discussed below.

3.5.3 Explaining bureaucracy-interest group interactions across cases

Including contextual factors, such as those discussed in section 3.3, adds a comparative aspect to the resource dependence model developed above. Each of these contextual factors will influence either resource concentration or resource importance or both. Some will interfere with resource concentration more than with resource importance and vice versa. By including these contextual factors, the model accounts for the degree of dependence, and thereby the nature of bureaucracy-interest group interactions, under different circumstances. By systematically varying these contextual factors, we will be able to assess their impact on both elements of the resource exchange relationship between bureaucrats and interest groups and thus be able to examine which of the two sets of actors will be more dependent under a given set of circumstances. Figure 3.1 depicts the model graphically. It shows the different levels of analysis at which the independent variables can be measured and which element of the degree of dependence they are hypothesised to influence.

A first thing to observe is that the contextual variables operate at different levels of analysis. Interest representation regimes operate at a macro-level. Europeanisation and ideas operate at the macro, meso- or even at micro-level. Ideas, for instance, can apply to entire national political systems, but can also be tied to specific policy areas or agencies as well as the individuals working for those
agencies. Political-administrative relations, organisational culture and formal tasks, as well as policy salience, complexity and political sensitivity, operate at meso-level.

Another important aspect to observe is that no micro-level variables are included in the model. This is a deliberate choice. The focus of this study is on how context determines the choices of bureaucrats to interact, or how context determines the strategic room civil servants have to manoeuvre. Undeniably, micro-level variables, for instance, leadership style or other personal dispositions, will influence bureaucracy-interest group interactions. Yet, the focus in this study is on context and, therefore, they were excluded from the model.

![Comparative Explanatory Model of Bureaucracy-Interest Group Interactions](image)

Figure 3.1 A comparative explanatory model of bureaucracy-interest group interactions

All in all, this model allows us to systematically compare bureaucracy-interest group interactions on the basis of their reconceptualisation in terms of resource exchange. Each contextual variable will influence resource concentration, resource importance, or both and will thus alter the degree of dependence. What this model cannot do, as yet, is study bureaucracy-interest group interactions over time. A final element to complete the model is thus incorporating a long-term perspective. Such a long-term perspective highlights forces other than strategic rationality in determining the resource dependence between bureaucrats and interest groups.

### 3.5.4 Explaining bureaucracy-interest group interactions over time

The discussion in section 3.4 revealed two additional types of rationality in which resource dependence between bureaucrats and interest groups may be grounded. Not only may a strategic choice based on a cost-benefit analysis determine such resource dependence (strategic rationality). Habitual rationality and anticipatory rationality could be at stake as well. Habitual rationality and anticipatory rationality reveal themselves when we add a time perspective to the core resource dependence model. To explain this further, figure 3.2 illustrates several hypothetical directions in which a given degree of dependence could evolve. A given relationship between bureaucrats and interest groups may be determined by a degree of dependence D. At \( t = (t + x) \), we observe several possibilities. In the case of \( D_1 \), the degree of dependence has become less severe over time, indicating, at face value, the presence of strategic rationality. And so does \( D_2 \). A degree of dependence that has
become less severe suggests the opportunity to strategically pick and choose. Yet, had the path of $D_2$ been measured at $t = 2$, we would have characterised this relationship as grounded in anticipatory rationality rather than strategic rationality. The situation characterised by $D_3$ could indicate habitual rationality, when actors unconsciously interact with each other. Yet, $D_1$ could also indicate strategic rationality, when the interaction still meets the same strategic purpose of the past. Situation $D_4$ would, at face value, be characterised by anticipatory rationality, given a higher degree of dependence. It may, however, also reflect a situation of habitual rationality, where routine behaviour has taken over in a situation in which civil servants are relatively dependent on certain interest groups.

![Figure 3.2 The evolution of degree of dependence](image)

So, fluctuation of or a decrease in the degree of dependence indicates strategic rationality, whereas stability could point to habitual rationality. Rising degrees of dependence would indicate anticipatory rationality but may be habitual in nature as well. Whereas fluctuation would be a face value indicator of conscious decision making, stability or rising degrees of dependence might conceal different types of decision making. Unpacking these degrees of dependences into resource importance and resource concentration could reveal which type of rationality underlies the resource exchange. For instance, when the importance of a resource remains similar but concentration increases, the interaction could be characterised as grounded in anticipatory rationality. Or, when both importance and concentration decrease, the interaction could be grounded in habitual rationality where routine has taken over.

By examining how the individual resource elements evolve over time, under different circumstances, we can determine the types of rationality underlying a given resource exchange between bureaucrats and interest groups. In sum, this resource dependence model enables a systematic explanation of bureaucracy-interest group interactions across cases and over time. Chapter 4 outlines a research strategy to empirically assess the explanatory potential of the model.