

Making decentralization work

A compliance perspective of decentralization.

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Foreword

The course of this study has not been without a struggle. Although it was a conscious decision to choose a non-corresponding master, it was quite difficult to find my way. Looking back in the years that I have studied, it seems that I always – in some way – chose the less obvious path (starting at the MAVO schools to a master study). But looking back, it was worth it. It made me the person who I am today. Now that I am at the end of my life as a college student, it realize that this less obvious path was worth all the struggle, sweats and tears. And I am happy to say that I look back on these years with pleasure.

This development of this master thesis has been with ups and downs. It took me a while to find a subject that fitted me and after several research topics I ended up with the administrative agreements 2011-2015. This research subject gave me the room to make this thesis my own and where I could express myself. The development of this thesis was a constant cycle of continues improvement. I find it to be a continues process of improving myself and the gained insights. The establishment of this master thesis has pushed me to think and learn more and better.

With this, I want to thank my first supervisor Ringo Ossewaarde, who has guided me through this process and has stimulated me to find my passion and continuously develop myself. The support I received of you helped me enormously. I also want to thank Veronica Junjan as my second supervisor for her critical feedback. And without the help of the local governments, I could not have completed my study. So, hereby I would like to thank the municipalities: Enschede, Hengelo, Almelo and Dinkelland. The hospitality and informal setting of the local governments gave me the opportunity to be at ease and have good interviews. The WWB professionals helped me to generate interesting and relevant insights regarding decentralization and the WWB. The comments of the WWB professionals lie at basis of this report, it is however too bad that I can not incorporate all valuable insights.

Finally, it is with great pleasure that I can offer u, the reader, a master thesis about decentralization. A transformation that affects the public sector and society.

"There is no more delicate matter to take in hand, nor more dangerous to conduct, nor more doubtful in its success, than to be a leader in the introduction of changes..."

(N. Machiavelli, in 'The Prince', fourhunderd years ago)

Enschede, April 2013

Janet Boedhoe

Abstract

As stated by Machiavelli, it is a delicate, dangerous and doubtful matter to conduct changes. Especially for changes in the public sector since the interest of the public sector is society (van Helden & Jansen, 2003). However, since we live in a complex and dynamic world, the public sector needs to make changes and decentralization is one of the most extensive and comprehensive form of all. According to the administrative agreement 2011-2015, the central government decentralizes tasks and responsibilities to strengthen the economy and restore public finances. In order to make decentralization work, several conditions need to be taken into consideration. These conditions for decentralization are described in the administrative agreement, and are summarized in three decentralization agreements. These are: policy discretion, reducing vertical control and enabling local governments to collaborate with other actors. The compliance issue is pivotal in this research. The decentralization agreements are examined on behalf of the decentralized WWB legislation to see if there is a compliance, allowing decentralization to likely succeed. The NPM influences are also examined with the analysis of the decentralization agreement since NPM plays a leading role in this report to encounter if it is a valid management theory.

The study has been conducted under four local governments in the Netherlands, which are the municipalities Enschede, Hengelo, Almelo and Dinkelland. Several random respondents that are involved with the implementation of the WWB were interviewed to analyze whether or not the decentralization agreements are obtained. If the central- and local governments comply with the WWB to the decentralization agreements, decentralization is likely to succeed since it is generalized to all social legislations. The WWB is examined as a role model for all social legislations since it is a long time (since 2004) in hands of the local government and can therefore function as an example for further decentralizations to come. Besides the interviews, policy documents that were provided by the respondents have also been studied. The results of this study has extended to determine the role of NPM and to the degree that decentralization is likely to succeed, allowing the central government to become a smaller and more powerful government.

This research has revealed that that two of the three decentralization agreements are not complied to. The agreements policy discretion and vertical control seem to be intertwined and are not obtained due to an extensive control by the central government and by opposing strict rules and regulations. This control and prescribing the way the legislation should be carried out, results in a lack of policy discretion and vertical control. The decentralization that is complied to, is the collaboration agreement. Local governments are collaborating with non- and semi public actors and other local governments. Since the decentralization agreements are not obtained as a collective, decentralization is not likely to succeed. NPM influences are present with the obtained decentralization agreement, establishing NPM as a valid management theory of decentralization. The other not obtained decentralization agreements do not have NPM influences, which confirms NPM of a management theory of decentralization. If the central government wants to make decentralization succeed and become a smaller and more powerful government, it must comply to the decentralization agreements.

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Chapter 1. Introducing decentralization

This is the report that constitutes the completion of my Master's degree in Public Administration, Public Management track. This report discusses the ways to make decentralization succeed with reference to the administrative agreement 2011-2015. This administrative agreement is a covenant composed by representatives of government, provinces, municipalities and water boards. In the administrative agreement 2011-2015, the government states that our country faces a major challenge, that is to strengthen the economy and restore public finances. Therefore, the general objective of the Dutch government as stated in the administrative agreement 2011-2015 is to become a small, more vigorously, and public service delivered government. So to face this challenge, a compact and effective government is required. The intention is to decentralize certain policies to the lower levels of government in the period of 2011 till 2015. The main principles of decentralization in the administrative agreement 2011-2015 are freedom and responsibility. When the central government decentralizes their policies, the lower levels of government have the freedom to carry out the policies at its sole discretion provided it is in line with the law and regulations. If the lower levels of government take their responsibility and utilize the freedom effectively, a compact and effective government can be achieved (Rijk, IPO, VNG, UvW, 2011). To decentralize policies, major reforms need to take place in the public sector. In the administrative agreement, the principles and processes of the reforms have been stated in the general- and underlying objectives. To achieve the general objective, decentralization must be properly implemented, which is the essence of this report. Decentralization can only succeed if there is policy discretion, adequate funding, a retreating government, phasing the decentralization process and an adequate performance capability (Rijk, IPO, VNG, UvW, 2011, p. 19). These conditions are made under the principle 'freedom and responsibility' and can be summarized and divided into three decentralization agreements. In this report, the three decentralization agreements are defined as: policy discretion, reduction of vertical control, and enabling local authorities to collaborate with other authorities, citizens and civil society organizations (Rijk, IPO, VNG, UvW, 2011). If these conditions are met, decentralization has a greater chance of success. So, the compliance of the decentralization agreements are key in this study.

The purpose of this study is to determine if the general objective: becoming a small, more vigorously, and public service delivered government, is likely to be obtained by properly decentralizing policies. So, analyzed will be if the decentralization of legislation is successful in practice. Decentralization will be studied at a policy level and analyzes how it is translated into practice in the municipal organization. The premises is that if the transfer of tasks and responsibilities to local governments is according the principles of decentralization, the central government is likely to become an more efficient and effective government. Decentralization is examined by analyzing how the three decentralization agreements are designed and implemented by the local government with regard to New Public Management (NPM). This report revolves around a compliance issue. If the three decentralizations are complied to, decentralization is likely to succeed. The compliance issue of decentralization will therefore be the leitmotiv of this study. NPM is a movement that has generated managerial ideas which have had practical implications. One of these practical implications is decentralization trend.

NPM therefore plays a leading role since it can be seen as a initiator of decentralization. It can be seen as a theoretical approach that it focuses on increasing efficiency and effectiveness of the state (Aardema, 2010). It pays attention to the managerialization of public services delivery, instead of merely focusing on the productivity. One of the managerial ideas is NPM arose in response to the critiques of the traditional public administration theory. However, this approach – just like the traditional public administration theory, is not without any controversy. Since issues of efficient and effective utilization of public resources will never go away, NPM is frequently taken under attack by critics (Osborne, Radnor & Nasi 2012). This study will therefore determine the role of NPM in the contemporary governance by analyzing the decentralization process of a social legislation. Decentralization will be outlined, which implies the rise and motive of decentralization and the associated implications, all in respect to NPM. In this report, four municipalities will be subjected to qualitative research to assess the effects of decentralization. Due to the complexity and timeframe given for the completion of this report, the implications are limited to analyzing the municipal organization since it is not feasible to examine all the involved agencies, such as provinces and semi-public institutions.

1.1. Background information

The main objective of this report is to examine if there is a compliance of the decentralization agreements based on the administrative agreement 2011-2015. If there is a compliance, decentralization is likely to be successful allowing the central government to become more efficient and effective. The decentralization agreements based on the administrative agreement 2011-2015 will be studied and the role of NPM in the contemporary governance will be determined, by analyzing decentralization of social legislation on local governance. The premises of this report is that if the implementation of a social legislation decentralization complies with the decentralization agreements, the objective of the administrative agreement 2011-2015 is likely to be obtained. With decentralization an efficient division of labour between the governmental actors can be achieved, that is accompanied by extensive reforms in the public sector. Decentralization allows the function of the central government to be limited since it aims to focus merely on the tasks that are desirable for the central government to execute. These functions will be from the perspective of legal equality, effectiveness and efficiency. The central government bears responsibility for matters that cannot be organized at a decentralized level. Examples of these matters are national issues, such as defence and foreign policy. In addition, the central government bears the concern that the administrative system is functioning properly (Rijk, IPO, VNG, UvW, 2011).

Specific policies are decentralized to the level of municipalities since they are the administrative layer that are the closest to its citizens and can therefore be more responsive to the needs of the citizens. Municipalities are responsible for a safe and viable living and work environment. Therefore, the policies that the municipalities are responsible for are in areas of the social-, economic- and spatial domain. The social domain is the specific domain this reports expounds. It entails among others, the reintegration into work, social support, safety- and youth policy. Because the municipalities are more

accessible for their citizens, several policy areas will be decentralized to the levels of the municipalities. The main objective of decentralization is for local governments to provide customization tailored to the needs of their citizens. The administrative agreement 2011-2015 stipulates that decentralization will take place in the areas of: Ability to work, Counseling AWBZ, Child welfare, Space, nature and economy, and Water. In order for decentralization to succeed, the administrative agreement 2011-2015 incorporated that the local authorities should receive a freedom of policy, and that the vertical control will be reduced, so a retreating central government will occur. With these conditions, local authorities are enabled to seek collaboration with other authorities, citizens and civil society organizations in order to implement the new tasks (Rijk, IPO, VNG, UvW, 2011).

Decentralization processes will be studied with regard to the compliance issue to analyze if the general objective of the administrative agreement is likely to be obtained, and to determine the role of NPM in the contemporary governance. A completed decentralization is going to be analyzed providing recommendations for upcoming legislations. The social legislation that will be studied is the Work and Welfare Act (WWB). The WWB is chosen because it is the first social legislation to be decentralized, making it more accessible to explore. The WWB will provide recommendations for upcoming social decentralization e.g. the Act on Child Welfare (WJZ). The WJZ is the second legislation that will be studied by the means of policy documents since this legislation is in the process of being decentralized. A coalition agreement is reached concerning decentralizing the WJZ but the transition from the WJZ to the municipalities should be completed in 2015. It is therefore a relatively new decentralization in which the WWB can suggest learning points and recommendations for the local implementation of decentralizing social legislation. In January 2004 the first social policy the WWB, was successfully decentralized from the government to the municipalities. The new tasks of the municipalities include policy, implementation and (budgetary) responsibilities (Universiteit Twente & Divosa, 2007). With this decentralization, a new step was taken into the modernization of social legislation. The WWB was the first but not the last social legislation that is to be decentralized to the local governments. In the administrative agreement 2011-2015 the central government states that it aims to decentralize five policy areas to the municipality. One of the to be decentralized policy areas will be the WJZ. With the decentralization of the social legislation, municipalities are responsible for development and implementation of policy for the beneficiaries. They are given more responsibilities and tasks but they receive fewer budgets for implementation compared to the money that was spent by the government. This is in contrast to the course of business before there was a decentralization of policy. Previously, municipalities could declare the costs they made during the service provision because the government was responsible and the municipalities were merely an executive agency on behalf of the government (Manshanden & van der Veen, n.d.).

1.2. Problem definition

This report will examine whether or not the decentralization agreements are comply to in order to obtain the general objective of the administrative agreement 2011-2015. Compliance is a pivotal but delicate matter of decentralization since it determines the quality of decentralization, whether or not it

is efficient and effective. There is a thin line between creating conditions and requirements which must be fulfilled to enhance legitimacy and counter corruption, and enforce strict rules allowing a centralization to occur. The question central to this thesis refers to how decentralization is operationalized in the light of NPM, utilizing experiences of the decentralized WWB legislation to offer lessons and recommendations for the forthcoming WJZ decentralization. The administrative agreement 2011-2015 is used as the context in which decentralization is studied. With this research, an answer is sought to the following research question:

'To what extent is compliance of the coherent decentralization agreements based on the administrative agreement 2011-2015 necessary to make decentralization succeed, and to what extent is it based on NPM influences and practices?'

Decentralization is studied at policy- and organizational level. The aim is to see how the created policies, thus decentralization agreements, take shape at the local level and if there is compliance. It is also relevant in this thesis to study how the agreements are carried out organizational wise. Only then, the conclusion and recommendations can be made in order to make decentralization successful or to conclude that it is successful. The organizational arrangement of local governments is related to what happens at policy level. This study therefore takes the diversity of organizational arrangement into account because differences in implementation may arise between the local governments. Decentralization can only be successful if the decentralization agreements are designed and implemented correctly because it allows the central government to function stronger and more compact. In the administrative agreement 2011-2012 is incorporated that the local authorities should receive policy discretion, that the central government will reduce vertical control so a retreating central government will occur, and that local authorities are enabled to seek collaboration with other authorities, citizens and civil society organizations in order to implement the new tasks and carry out integral and coherent policies. These three elements (policy discretion, reduction of vertical control and enabling municipalities to seek collaboration) are necessary means to make decentralization work. In reference to NPM, the question focuses on NPM since it can validate NPM as a relevant theoretical approach.

In order to answer the research question, the following sub questions are formulated in reference to the decentralization agreements:

1. 'Taking the decentralization agreement at basis, how is decentralization of social legislation arranged in practice?'
2. 'To what extent are local design and implementation of the social legislation in four municipalities characterized by NPM elements?'
3. 'What are the implications of the findings with regard to the decentralization of the WWB for forthcoming decentralizations like the WJZ?'

The first sub question refer to the decentralization agreements which will be examined individually. Policy discretion is studied since it is included in the administrative agreement 2011-2015 is that the central government should transfer the tasks and responsibility to the lower levels of government without comprehensive quality requirements and boarded-up regulations. The lower authority is responsible for the implementation and democratic control. Policy discretion explores how municipalities handle this responsibility and if they really receive a freedom of policy executing. The vertical control is analyzed since it refers to a retreating government. The central government can have control by the means of money supply and by obtaining information intergovernmental and inter-administrative supervision. By limiting these three aspects, the degree of government control will be reduced. The final decentralization agreement of collaboration refers to the question if there is adequate performance capability and if local authorities enabled in cooperation with citizens and civil society organizations in a good way to give substance to the new tasks. Only then, an integral, coherent policy can be carried out. The second sub question places the design and implementing phase of the decentralization agreements in the light of NPM. Is this management theory underlying the way policies are executed or has it made way for another ways of carrying out policies. The final sub question establishes the pitfalls and strengths of decentralizing social legislation at a local level and can provide learning points and recommendations for forthcoming decentralizations.

1.3. Approach

For the last thirty years decentralization has made its mark on policy and governance in the Netherlands. A lot of policies have been decentralized, making decentralization an object of research. However, since we live in a dynamic world filled with changing environment and demands, society places a lot of pressure on the government, making them continuously changing their policies and governance (Pollitt & Bouckaert, 2011). The administrative agreement 2011-2015 illustrates the dynamic since the decentralization agreements are adjusted due to the societal developments (Rijk, IPO, VNG, UvW, 2011). To continuously improve decentralization, this administrative agreement 2011-2015 will be studied using social legislations. Leaving the developments in decentralization underexposed can crucial impact the success rate for the forthcoming decentralizations. Successes of the past are no guarantee for the future. It is therefore necessary to discuss every aspect of decentralization to achieve the general objective.

This report will expose how to make decentralization succeed, what the implications of NPM are, and what the pitfalls and benefits are of decentralization in practice. The NPM approach will be guiding in this research because it is an overarching philosophy in the governmental spheres and decentralization can be executed according to these principles. The main objectives is to see to which extent decentralization complies to the decentralization agreements to determine the success of implementation, and how decentralization of social legislation arises from the NPM approach. The latter is in reference to the managerial ideas to enhance efficiency and effectiveness of the state. This report is based on three elements: the theoretical framework, the empirical part and the conclusion. The background, the goal and the research question are discussed in this chapter. This report revolves around several recurring key elements that will be subdued in this review. It is necessary to

define a framework of background of information to analyze the problem statement. In the next chapter the literature review will provide a basis to answer the central questions of this report and to understand it. This chapter consists of literature about NPM, decentralization, and reforms in the public sector. In chapter three the data collection and the data analysis will be discussed. The methodology will help to translate the background theory into different concepts that can be used to collect and analyze the data. In chapter four the analysis will take place where the collected data will be analyzed. In the final chapter the conclusion follows and the answer will be given to the research question.

The foundation of this study is based on literature about NPM, decentralization, public sector reform, and social legislation. Journals such as Administration & Society, Public Administration Review en Public Management Review are used to gain insight into the aspects relevant for this study. In addition to the use of these journals, other sources are utilized. The university library and catalogue are used to search for books regarding decentralization and public sector reform. Search sites such as PiCarta, Scopus, Web of Science and Google Scholar are used to find recent relevant articles concerning the topics of this report. The various articles and books retrieved from this recourses will be used to achieve a solid theoretical framework that lies at the base of this research. Policy documents and other relevant information concerning the administrative agreement 2011-2015 and the social legislation will also be utilized.

1.4. Structure

The structure of this thesis is as follows. The theoretical framework will be outlined to inspire the study that will be conducted. The framework will describe NPM, decentralization and social legislation. To theorize the central issue the WWB will be analyzed as a social legislation to study decentralization and make recommendations for upcoming decentralizations like the WJZ. Since decentralization of the WJZ is still in its early stages, the focus will primarily be on the decentralization of the WWB. The information known about the WJZ will be utilized to suggest lessons to learn with regard to the decentralization of the WWB. Analyzing the WWB – and to some extent the WJZ – is done by carrying out an interview study in four local governments and by conducting a document analysis to evaluate the extent to which the decentralization of legislation has complied to the agreements. For the interview study the municipalities will be selected on the size. Therefore, two rather large and two relatively small municipalities will be studied. Not the entire municipality will be studied, but the focus will be on the department that relates to the implementation of social legislation. For the document analysis, relevant policy documents of among others the Association Dutch municipalities (VNG), ministries and local governments will be analyzed. This document analysis can provide complementary information to this study by the relevant information the policy documents contain. With this research, the barriers, trade-offs and benefits will be identified and compared to the expectations outlined in the administrative agreement 2011-2015. Furthermore, the influence of NPM on decentralization will be analyzed with the contribution of NPM with regard to the success and/or barriers of decentralization.

Chapter 2. Making decentralization succeed, in theory

In this chapter the foundation is established to find an answer to the research question. The literature review is based on several concepts that are relevant for this report and are in need of further explanation. The concepts are New Public Management (NPM), decentralization and public management reforms. Having these concepts explained and put in to context in reference to the administrative agreement 2011-2015, makes it possible to discover how to make decentralization work. The first paragraph of this chapter will set out the concept of NPM which will identify the influence of NPM on decentralization. The NPM principle, the transition to NPM and link between NPM decentralization and its criticism will also be outlined. The second paragraph will explain the decentralization theory that will form the basis of why decentralization can succeed or fail. Discussed will be what decentralization is, and what pitfalls, benefits and paradoxes are likely to occur. The third and final paragraph will illustrate the ins and outs of public management reforms. This will lead to a better understanding in designing and implementing the decentralization agreements and other principles of the administrative agreement 2011-2015. Scientific articles and books will be used to find theories about (implementing) decentralization, NPM, reforms in the public sector and about organizational change. The administrative agreement 2011-2015 and other relevant policy documents will be used as background information to shape the literature review.

2.1 New Public Management

As mentioned before, New Public Management (NPM) can be seen as an initiator of decentralization. It focuses on increasing efficiency and effectiveness of the state and it pays attention to the way of increasing these elements, the managerial ideas. In this paragraph the essence of NPM is discussed and with this information, the relationship between decentralization and NPM should be exposed. It should also provide a framework in identifying to what extent the NPM influence and practices are present in decentralization. The rise, content and criticism of NPM form the basis of this section. The approach of NPM is relevant for this study since it is an adopted businesslike- style and strategy by many Western countries during the last decade that has been under constant criticism.

2.1.1. Transition to NPM

The traditional hierarchical form of government has made way for modernization of the state administration. Traditionally, it was the task of the state to protect its citizens and maintaining its sovereign power. The tasks of the state have subsequently expanded and the state also started to provide public services such as education and welfare. As the public sector expanded, the market sector decreased by the increasing intervention methods of the government. In the eighties, this has led to major budgetary deficits for the western welfare states. As a result, the government institutions were perceived by the public as undemocratic, unresponsive and inefficient (Miller & Dunn, 2006). After massively reducing the public spending, the deficits were not resolved resulting in the withdrawal of the welfare state (Aardema, Derksen & Herweijer, 2010). The withdrawal was due to a demand for

efficiency and effectiveness of the state which led to the modernization of the state administration. To this shift in paradigm, the ideology of NPM is underlying. NPM occurred as a remedy for 'a broken system of government' to increase the efficiency of the government on political and economic scale as a result of budgetary deficits within the government (Miller & Dunn, 2006, p.3). De Vries and Nemec (2012) agree with Miller and Dunn (2006) and indicated that there is evidence that if NPM tools are properly implemented, important efficiency improvements are supported. Which refer to spending "better" to get the governmental finances in order. Decentralization emerged as one of these tools to increase the efficiency and effectiveness of the state. So, instead of the centralized, uniform decision making and implementation process, the Dutch government utilizes decentralization as principle of state governance (Wallis & Oates, 1998). It represents the central government transferring tasks and responsibilities to the local governments. With decentralization, the central government seems to head in a direction in which the government encourages, facilitates and partially regulates the society to take on certain public services involving social problems. It is a non-hierarchical form of governing for achieving an efficient government, effective civil society and successful private sector. It leads to the government creating more value for money if there is less money to spend.

Decentralization of policies is associated with reforming the public sector. To design and implement the public management reforms that decentralization triggers, the management instrument of NPM can be utilized. The NPM principle is allowing the market to acquire a significant share in the provision of services. It opts for management principles and strategies within the government agencies, and to involve other actors in the public task performance besides the government (Maat, 2003; Miller & Dunn, 2006; Pollitt and Bouckaert, 2011). It is considered to be an assembly of business ideas, methods and techniques for the public sector. The basis lies in decreasing or removing the differences between the public and private sector. A way to achieve this, is to create a shift from process accountability towards output accountability, thus the focus on results (van Helden & Jansen, 2003).

With NPM, the traditional administration based on the principles of centralization, hierarchy, bureaucracy and direct control has made way for a management of public services based on the arena of the market-based principles. NPM is characterized by managerialistic- and market components. Managerialization of public services delivery is based on the management of improvement, restructuring the organization and moving from hierarchy and control to innovation and support. This is because 'the existing organizational regimes of public service were an integral part of the problem of the state' (Clarke, Cochrane & McLaughlin, 1994, p.14). The market component is based on marketization and competition (Petruscu, Popescu, Barbu & Dinescu, 2010). Market-based, competition-driven tactics will lead to greater cost-efficiencies, instead of the traditional way of working that is perceived as rule-based and authority-driven (Kettl, 2005). The role of government changes from design and implementation to the role of director or principal. In this new role, the government 'steers' the delivery of public services which stays to a large extent public property (Maat, 2003). One of the main objectives is to decentralize certain tasks and responsibilities of the government to the local authority and evaluate them on the basis of the results making NPM to be outcome oriented and

focused on efficiency (Hughes, 2003). NPM argues for cooperation between organizations to achieve the best outcome. The cooperation can be represented in forms of network governance, collaborative government and public-private partnerships (Alford & Hughes, 2008). New public management is according to Kettl (2005) based on six core components, namely: productivity, competition, service orientation, decentralization, policy and accountability. With these elements, new public management creates a new vision in governing the public sector since it has a more external view instead of looking inwards in an organization.

2.1.2. Private sector rules for the public sector?

While there are many reasons why NPM should be applied in the public sector, there is a lot of discussion whether or not NPM is appropriate. Since it is the aim of NPM to apply business ideas, methods and techniques for the public sector, the differences between the public- and private sector can cause a barrier to utilize NPM. Some critics contest the idea of NPM, much debated are the questions 'if it has a good impact' and 'how far it should go'. Opponents of NPM believe that the public administration is a 'unique and separate view and should not be sullied by the methods of commerce' (Pollitt & Bouckaert, 2011, p. 14). According to the Sociaal Cultureel Planbureau, the public sector is a constellation of public- and semi-public bodies consisting of the traditional governmental institutions like police and justice and from private institutions that receive governmental grants. The public sector is in service of society and its objective is to safeguard the public interests without any commercial interests. The private sector on the other hand, is guided by commercial interests and activities without governmental managing. It consist of organizations or institutions set by private parties (Smit & van Thiel, 2002).

The last twenty years the 'methods of commerce' have been used by the public sector. Opponents of NPM think that this has gone on too long and proponents believe that it should go further (Pollitt & Bouckaert, 2011). The public sector is characterized by the political element that is integrated in this field. The political level is involved to resolve or make decisions when there are conflicting interests such as individual versus collective interests and when there are conflicting interests regarding short-term versus long-term interests. The private sector is not the appropriate actor in resolving these conflicts of interests since the market has its commercial interests at heart and the public sector the societal interests (van Helden & Jansen, 2003). Since it is the objective of NPM to implement businesslike management, methods and tools in the public sector, there are rather 'practical' complications due to major differences between the public- and private sector. However, with decentralization a shift in governing conditions have changed and with the focus on innovation, quality enhancement, efficiency and effectiveness of local governments, and the collaboration with non-governmental actors, the state administration is not a pure public institution like referred to in the traditional state administration (van de Maat, 2003). Examples of the differences between the public- and private sector are the accountability and output. Accountability in the public sector is an instrument to enhance the efficiency and effectiveness of the government. This instrument of enhancing has changed into an objective in itself. The private sector accountability differs from the private sector due to the scope to which it relates. The scope of the public sector exceeds the limits of the private sector

because it affects the society. Also the final output of the public sector lies beyond the limitations of the private sector and can only be reviewed by the quality of life through public debate (Khan & Chowdhury, 2007; van Helden & Jansen, 2003).

Proponents of NPM believe that business methods and culture are the solution to a lot of problems within the public administration. According to the study of van Helden and Jansen (2003), NPM in the Netherlands is sustainable despite the complications and criticism. The anxiety that the ethics of the public sector will not hold up is proven wrong in this study. Van Helden and Jansen (2003) indicate that there is attention paid towards the ethics of the public sector. This is however probably as a defense shield against the dominance of business ethics. Van Helden and Jansen (2003) argue that public sector needs to deal with the difficulties of applying business style tools in the public sector. According to Pollitt and Bouckaert (2011), Metcalfe and Richards are in the middle of either proposing for or against NPM, along with Pollitt and Bouckaert themselves. Metcalfe and Richards define two layers in the public administration. They identify a microlevel public administration where the business methods and culture can be utilized. In the macrolevel they state that the business concepts can not be included. Pollitt and Bouckaert suggest that utilizing business methods depend on level (micro/macro), technical and political characteristics and on skill factor. Thus, it depends on the specific activity whether it is appropriate or not. According to Petruscu, Popescu, Barbu and Dinescu (2010) and Hood and Dixon (2013) the pitfall of NPM can be by focusing too much on efficiency, thus cost reduction. This could lead to policies with short-term effects undermining long term perspective domains because short-term policies are often cheaper.

2.1.3. Conclusion

New public management is a principle in the public sector and is an instrument to execute public management reforms with the help of business strategies. Decentralization arose in response to NPM and it emerged as an answer to increase the efficiency and effectiveness of the state. NPM focuses on decreasing the gap between the public and private sector. The administrative agreement 2011-2015 also states that the local government should collaborate with relevant actors, other than the central government. The public- and private sector differ from each other in the sense that the public sector's objective is to safeguard the public's interests and the interests the private sector serve are the commercial interests. Critics believe there is a bridge to overcome to have business style strategies applicable for the public sector since there are differences between the sectors. However, according to van Helden and Jansen (2003) studied NPM in the Netherlands and they concluded that NPM is sustainable in the Netherlands despite the complications and criticism. The public sector needs to deal with the difficulties of applying business style tools in the public sector. (van Helden & Jansen, 2003).

2.2 Making decentralization work

In order to make decentralization successful, it is useful to know what decentralization induces. This paragraph will therefore focus on the decentralization theory wherein the characteristics of decentralization will be outlined. This theory is developed to gain a better knowledge about

decentralization in general. In this paragraph, the modes of government will be discussed along with a framework of pros and cons of decentralization.

2.2.1 Decentralization

For the state administration, decentralization ensures an increased government responsiveness and accountability (Shah, 1999). The responsiveness is illustrated in the ability for the local governments to provide a better tailored to the needs policy for their citizens due to the approachability of the local government (Wever, Top & Drent, 2011). The accountability regarding the decentralized legislation is displayed in the procedures and control which are created to prevent corruption and ensure good governance (Rose-Ackerman, 2008). However, these issues are not without any negative consequences. In order to ensure a good governance, the central- and local government must comply to certain rules and regulations. According to Darling-Hammond, (1986) 'the standard for accountability is compliance rather than effectiveness' (Darling-Hammond, 1986, p.1). McLaughlin and Thurlow (2003) complement Darling-Hammond (1986) by indicating that compliance focuses on whether the system has complied with procedures and/or rules and regulations as opposed to the objective and outcomes. So, although compliance is a 'code' of good governance (Aguilera and Cuervo-Cazurra, 2009), it can also lead to losing the objective.

The practical implications to decentralization are the changes in the tasks and responsibilities of the municipalities and an increasing role of regional networks in policy implementation (van Kersbergen & van Waarden, 2004). According to Witte (2006) a reason for decentralization is to achieve a better performing government through the transfer of responsibilities to the local government. It is assumed that municipalities are likely to operate more efficient and effectively in contrary to the government because of the increased awareness due to the local responsiveness (BMC, 2009). To make decentralization work, a good relationship and task division between the government and municipalities is necessary. Municipalities are expected to execute the decentralized tasks and responsibilities efficient and effectively in the context of national policy goals and to be able to adapt to the needs of their citizens. They are more able to provide customized service since they are more involved because they function on a local level. It is the governments task to facilitate the municipalities in their new tasks and responsibilities and respond to the capabilities of local authorities taking the administrative strength of the municipalities into account (Keuzenkamp, 2009).

There is not a single form of decentralization. The central state can decentralize certain policies in different modes. Decentralization literally stands for de-centralizing the government, but there are multiple ways in de- centralizing the government (Argawal & Ribot, 2002; Bannink & Ossewaarde, 2012). Bannink and Ossewaarde (2012) distinguish four modes of governance to decentralize tasks and responsibility. There is complete decentralization, two conceptually different modes of incomplete decentralization, and there is complete centralization. Centralization refers to not decentralizing at all and keeping the tasks and responsibility at a central coordination. However, according to De Vries (2000), decentralized policies and legislation can also be centralized due to the uniform procedures and little policy freedom. However, centralization of decentralization is not a mode of governance, it is a consequence of the mode. The incomplete decentralizations refer to partial decentralization which

can take place at the level of content and resources. Decentralizing at the level of content refers to the substantial content of policy and transferring the policy-making autonomy and implementation discretion from central to decentralized governmental actor. The decentralization of resources refers to the resources needed for policy implementation, like financial risks and resources, and making the decentralized actor responsible for policy failure and successes (Bannink & Ossewaarde, 2012, p. 602).

The modes of government have implications on the responsibility that comes with the decentralization. With centralization, the traditional sovereignty of the state is supported. The traditional state administration underlines centralization and its sovereign power. The government has a monopoly power in a constellation of governmental functions. With the shift from centralization towards decentralization, sovereignty also shifts and makes a transition since the higher authority, the central government, is not merely responsible for specific tasks/policies and the monopoly of power that comes with the responsibility fades. Decentralizing substantial content refers to responsibility of the actual execution of the tasks and obligations. If the tasks are not fulfilled correct, the central government can step in and deny the lower authority 'the legal right to act as an implementing agency of local government' (Bannink & Ossewaarde, 2012, p. 601). With the remaining part of decentralization, the responsibility of accountability steps in. The agency or local government that is to decentralize is a free agent that is responsible for the outcome that are responsible for the implications of their choices, which indicates accountability by compliance. This is because there are rules to comply by whereby accountability is measured. However, this is in contrast to Darling-Hammond (1986) and McLaughlin and Thurlow (2003) because it indicates that effectiveness is less important than the compliance itself.

The final mode of decentralization evokes responsibility as a virtue. This terminology is based on the idea that sovereignty is in transition. The traditional sovereignty is based on the monopoly of the central government being responsible and protecting the citizens wellbeing and interests, and their policy-making capacity. However, since the government is decentralizing certain policies and globalization is upcoming (e.g. the European Union), the central government is no longer the final executive and no longer – as an single actor – is responsive for their citizens. So, since the sovereignty of a state is under much pressure, another more fitting political form has arisen where the elements of increasing local power and influence of globalization are taken into account. 'Subsidiary implies that no higher authority can legitimately act if a lower authority is able to and that a higher authority van intervene in the affairs of lower authorities only if this enables them to govern themselves' (Bannink & Ossewaarde, 2012, p. 600).

2.2.2 Drawbacks

It is likely that decentralization benefits the governments' efficiency and effectiveness. But where there are benefits, there will also be obstacles to overcome. Only when the benefits exceed the drawbacks, decentralization will be effective. One of the drawbacks is that decentralization can evoke paradoxes (de Vries, 2000). The paradoxes are based on the modes of government and the types of responsibility as explained in the previous section. Paradoxes can occur in decentralization because

there is an interdependency between the central and local government. Each of the three variants of decentralization can evoke its own specific paradox (Bannink & Ossewaarde, 2012). In table one, a scheme is portrayed that illustrates the coherence.

Modes of government	Responsibility type	Paradox
Centralization	Sovereignty	-
Partial decentralization: content	Task	Self-regulation paradox
Partial decentralization: resources	Accountability	Performance paradox
Decentralization	Virtue	Subsidiary paradox

Table 1. Modes of government with the specific responsibilities and paradoxes (Bannink and Ossewaarde, 2012)

The self regulation paradox occurs when centralized control is too weak. It can happen with partial decentralization of content. The central government provides means for the local government so municipalities can generate relevant information and proper tools to decentralize, without interference of the central government. The paradox occurs when the decentralized actors are unable or unwilling to perform their tasks; the policy making and implementation properly. So, if the local government cannot live up to the central government’s policy aims, the central government needs to get involved with the policymaking and implementation. The interference of the central government is in conflict with decentralization. ‘Deregulation [of policies] was intended to increase the policymaking and implementation capacity of a central actor only capable of weak control’ (Bannink & Ossewaarde p.604). Whereas now the central government needs to increase their level of control. The performance paradox can occur when the centralized control is too strong. It can happen with partial decentralization of resources. This paradox ensures tunnel vision since the delegated authority, e.g. municipalities, will focus on a part of the policy that is rewarded by the central government or that is easier to execute instead of focusing on the whole policy. Municipalities are compensated by the central government depending on the efficiency and effectiveness of the municipality. Hence the focus on quickly achieving the preconditions for receiving the compensation. This created imbalance leads to ‘prioritizing the easier cases from a caseload to increase the number of successfully finished cases’ (Bannink & Ossewaarde, p.603). The difficult cases are thus deprived.

The final paradox that can occur with complete decentralization is the subsidiary paradox. Subsidiarity implies that lower authorities can act legitimately if they are able to, making the higher authority restricted to act whenever the lower authority has the possibility to act. However, higher authorities are able to intervene only when it enables the lower authority to govern themselves. Higher authorities can be the central government, but also the authorities such as the European Union or the United Nations. This paradox refers to transferring central-level conflict to the lower authorities at a decentral-level because local levels of government can only address specific policies that relate to conditions within municipal borders. The issues of national scope such as protection of the state remain impossible

because it goes beyond the local authorities scope. So when completely decentralizing policies, the lower authorities are functioning as sovereigns but cannot deal with the issues of national scope. A paradox occurs because the government needs to interfere since the local governments foresee their citizens in their needs but they cannot bear the consequence in all respects due to the limited scope. This paradox results in a complete decentralization to never be achieved.

Besides the three paradoxes, there are two drawbacks of decentralization. Decentralization can lead to centralizing policies. An increase of decentralizing policies will centralize the decentralization process at a local level, because decentralization results in a growth of the tasks of the local government. Local authorities receive more tasks and responsibilities, making the municipalities expand in scale. This expansion in scale allows the decentralized tasks to be conducted in larger municipal organizations. So, local governments need to centralize their government making the local government deviate from their residents. The theory that local governments will be closer to the citizens will no longer work because it will create more distance (de Vries, 2000). The remaining drawback of decentralization is that smaller municipalities will be under pressure of the central government making them to merge with other small municipalities. It is the assumption that relatively large municipalities (with 100.000+ residents) can carry out their tasks practically independent because they have enough of the right recourses, like staff, budget and experience (Bekkers and Bouwmans, 2010). The average – smaller – municipalities often lack these resources since smaller municipalities manage less extensive problems compared to the larger ones. Therefore, smaller municipalities are likely to fall back on partnerships with other small municipalities so they can join forces to overcome and carry out the increasing tasks of the government that is subjected to high regulations. According to the VNG (2010) smaller municipalities are because of this under an increasing pressure to merge (de Vries, 2000; Allers & de Kam, 2010).

2.2.3 Pros of decentralization

There are multiple reasons why decentralization is utilized as a form of governance in the Netherlands. It enhances the quality of governance, increases involvement of citizens, creates a greater responsiveness of the local government and decreases the administrative pressure of the central government. These benefits of decentralization will be discussed in this paragraph.

The level of corruption within the state is influenced by the state structure. Although the state sovereignty/subsidiary- and monopoly on violence are at the heart of a state governance, the temptation for state corruption and abuse of power are present and possible for a lot of governments (Treisman, 2002; Rose-Ackerman, 2008). The quality of government is according to Treisman (2002) defined by the level of corruption of a state. *'In a state with very weak institutions, corruption may be a short-term way to hold the system together and prevent violent disintegration'* (Rose- Ackerman, 2008, p. 328). Corruption of the government refers to governments that are engaging in illegal activities such as taking bribe of (or buying off) private partners and powerful private actors, that can be mafias or gangs. Government officials are then deviating from the norms and are working to serve their personal gains instead of the collective. There are governments that are extremely corrupt and wasteful and

there are governments more honest and responsive. With corrupt governments, there is a neglect in effective government and providing efficient services to the public. More honest and responsive governments are unlike the corrupt states, more effective in their government and service provision (Rose- Ackerman, 2008).

Decentralization can improve the quality of the government for multiple reasons. One is that with decentralization, a government can provide public goods and services more efficient and effectively and can possibly overcome the temptation of corruption since the increasing power and responsibilities of local authorities come with accountability. Since decentralization represents an allocation of the decision making and implementation process to lower levels of authority, the lower level actors should be accountable to their people because of the increase of power. If the actors are not accountable to the people but merely to themselves or their superior authorities, decentralization is not likely to succeed. With horizontal and vertical accountability the actors are accountable for their actions. Horizontal refers to the degree to which local authorities communicate, solve problems and build accountability while vertical accountability refers to the hierarchical power and the superior authorities the local authorities need to answer to (Argawal & Ribot, 2002). This indicate that (especially vertical) accountability is associated with compliance since there are authorities that have a controlling function. Another advantage of decentralization is that there can be a greater involvement of citizens in governance. It is less difficult for citizens to exert influence at the local level than at a national level. According to Halverson (2003) it is important that citizens are able to influence policies that affect them. Due to the possibility of increased involvement of citizens, the policies can be tailored to the needs of the people and can therefore be efficient and effective. Besides the influence of the citizens, the local government shares also the responsibility for efficient and effective policies. It is the task of the local authority to meet the desires of their citizens. It is assumed that the local authority can provide customization, since a local interpretation of policies enable local governments to respond to the needs of the citizens more accurately (Wallis & Oates, 1998). They are closer to their citizens and are more involved and up to date with their needs. The local government can therefore be more responsive than the government itself (van Kersbergen & van Waarden, 2004).

The final benefit for decentralizing tasks to the local government is that decentralization will decrease the administrative burden of the central government. The government wants to become small and more vigorously, so the local authorities will take over and carry out certain tasks and responsibilities allowing the central government to take a step back. The administrative pressure will be decreased since the local government is urged to be more involved with their citizens. With decentralization, the government transfers the tasks and responsibility to the local government whereby the local government obtains more autonomy (van Kersbergen & van Waarden, 2004). Besides a decrease in administrative pressure, decentralization enhances innovation in policies. Since the local authorities obtain more autonomy to implement policies, the local governments have the opportunity to utilize various solutions for social issues and have the possibility to analyze the different effects from each solution of these governments to come to the best preference. This form of autonomy makes it

possible to experiment on a local scale since experimenting on national scale would be irresponsible and of high risk (Allers & de Kam, 2010; Treisman, 2002).

2.2.4 Conclusion

Decentralization refers to an interdependency relationship between the central- and local government. It is also the objective of decentralization to bring the government closer to their people and to provide a more efficient and effective service provision for the citizens (Wever, Top & Drent, 2011). It enhances the quality of governance and creates a greater responsiveness of the local government by decentralizing them more policies. This quality of governance associated with compliance which is a delicate matter dependent of the strictness of procedures and control. Decentralization also decreases the administrative pressure of the central government and increases involvement of citizens. There seem to be a lot of benefits to decentralize policy, however due to the interdependency between the central and lower government, paradoxes may occur. The paradox of - selfregulation, - performance, - and subsidiarity are likely to occur depending on the type of decentralization the government utilizes (see table 1). Besides the benefits and paradoxes, there are also drawbacks of decentralization. A drawback can be that the essence of decentralization will be neglected. Decentralization can end up in municipalities centralizing policies to handle the tasks efficient due to an increase in delegating of policies that the municipalities cannot handle. Another drawback can be that (especially) smaller municipalities become overloaded due to the decentralization of policies that they cannot handle. The increase policy decentralization makes the municipalities compelled to merge with other small municipalities to function efficient and effectively since they cannot deal with the pressure of the central government.

2.3 Managing decentralization

Reforms in the public sector are inherent to decentralization. Since decentralization calls for enhancing the government structure, local governments need to change their organization in order to cope with the change in policies. This change in structure can be done by following the traditional hierarchical model, by utilizing the New Public Management (NPM) principles or by handling another way of implementing decentralization in the local government. Decentralization is only implemented when the benefits exceed the drawbacks of decentralization. In the administrative agreement 2011-2015 certain decentralization agreements have been made to overcome the general drawbacks. In this paragraph the way decentralization can be designed and implemented is discussed. Decentralization can cause municipalities to reform their organizational structure. Therefore, public management reform is discussed in relation to the decentralization agreements as stated in the administrative agreement 2011-2015. The trajectories public management reform evokes are equated with the design and implementation of decentralization. The purpose is to build a framework of trajectories that will be evoked by the public management reforms to analyze whether or not the central- and local governments hold up to the decentralization agreements as stated in the administrative agreement 2011-2015.

2.3.1. Reforms in the public sector

Public management reforms are needed in order to make decentralization succeed. The aim of reforming the public sector is according to Pollitt and Bouckaert (2011) changing the government performance. This is exactly what decentralization aims for. The government performance needs to become more efficient and effective at a local level. Public management reform entails management reforms that are combined with other type of policies. The definition of public management reform can be defined in many ways. Pollitt and Bouckaert describe public management reform in the public sector as “deliberate changes to the structures and processes of public sector organizations with the objective of getting them (in some sense) to run better” (Pollitt & Bouckaert, 2011, p. 8). Public management reform take place for multiple reasons. Pollitt and Bouckaert have developed a model of public management reform which consists of the different forces that are responsible for the changes in the public sector (Pollitt & Bouckaert, 2011, p. 33).

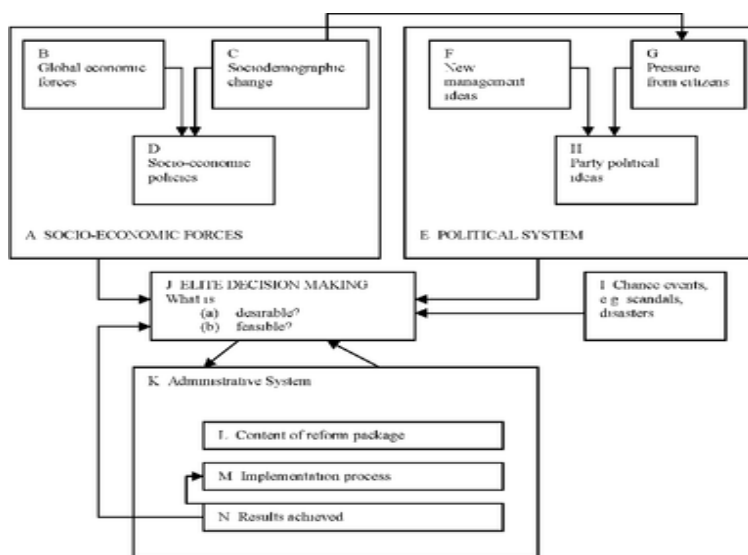


Table 2. Model of public management Reform (Pollitt and Bouckaert, 2011, p.33)

In this model the elite decision-making is the centre of the change which is influenced by many other forces. These include the socio-economic forces, political pressures, unpredictable events and the characteristics of the administrative system. The interactions between these forces influence the reform. These forces can be divided into internal and external forces, where external forces include the socio-economic forces, political systems and the chance events and the internal forces include the characteristics of the administrative system. Socio-economic forces can refer to the changing demands of the citizens and the economic recession. Political system can refer to a new movement of thinking such as new public management. The last external force chance events can be unforeseen events that can be out of human control or events which are difficult to grasp, like natural disasters or unpredictable tragedies. The internal pressure, the administrative system stands among others for the process and implementation of the reform (Pollitt & Bouckaert, 2011). Placing this model in reference to the administrative agreement 2011-2015, reforms within municipalities that are initiated due to decentralization are influenced by external forces like the political system and the socio-economic forces. The initiative for decentralizing policy lies with the government. The government initiates

decentralization as a result of pressure of the society to create a better governance. Political considerations such as decreasing the administrative burden, have also played a role in the implementation of decentralization. Since decentralization is influenced by the central government, it is important to analyze if the central government reduces their influence and hold up to their decentralization agreements.

2.3.2 Public management reforms

In this section, three reform types will be discussed that evoke several trajectories of Pollitt and Bouckaert (2011). These trajectories will be studied in reference to the design and implementation of the decentralized agreements of the municipalities. Analyzed will be whether or not municipalities have the freedom to develop their own policy, are under influence of control by the central government and if they are able to collaborate with other relevant partners, in reference to the trajectories the municipalities will undergo with the public management reform. The framework of trajectories will be discussed in this section and in chapter four the actual analysis will take place as a result of the conducted research.

Pollitt and Bouckaert (2011) identify three public management reform components in the public sector; structural change, process change and management reform. Structural change include merging or dividing public agencies in order to improve or encourage coordination and/or specialization. Process change refers to redesigning systems to achieve an more efficient or effective outcome to certain procedures. Management reform embraces changes in the system by which public servants themselves are recruited, promoted, trained etcetera. (Pollitt & Bouckaert, 2011, p.8). The structural change refer to the organizational trajectory. The reorganizing of organizations is nowadays customary in the public sector management reforms. Organizational trajectory can be classified into four elements, namely: specialization, coordination, decentralization, and scale. (Pollitt & Bouckaert, 2011). This trajectory is in line with structural change because certain structures are scrutinized and reorganized regarding to the four elements. With specialization and coordination, specialization in this context refers to whether or not institutions should be single-purpose and have a more tight focus or if they should be multi-purposed and therefore have a more broader scope. According to Pollitt and Bouckaert (2011), the single-purpose institutions have increased since the eighties at the level of the national and local government and they have taken form by creating agencies. Coordination is often top-down enforced in a traditional hierarchy and is incrementally passed down the line of authorities. With coordination, regulations are issued from the government that needs to be implemented by the local governments. Besides the formal coordination, coordination can also exist in a less formal setting by voluntary cooperation within a network. This less formal setting can be achieved when there are shared objectives. Specialization and coordination are related to each other, and it is important that they are in balance. To maintain the level of an overall coherence of policy and service, coordination needs to make more effort if specialization is increasing. If not, the newly specialized agencies can possibly go their own way (Pollitt & Bouckaert, 2011). The specialization and coordination complement each other relatively well. Decentralization and scale relates to various – new – work processes implemented top-down. These work processes will be coordinated, implemented and executed by the

municipalities and their civil servants. Decentralization ‘makes possible more responsive and speedy public service, better attuned to local and/ or individual needs’ (Pollitt & Bouckaert, 2011, p. 87). The government executes *political* decentralization by delegating authority to municipalities. Scale is related with to the size of the public sector organizations and to what extent they should be reduced or increased. Often is downsizing of the public sector on the same foot with the objective of saving. With specializing and decentralizing the scale of public sector organizations will be reduced (Pollitt & Bouckaert, 2011).

The second reform, process change refers to the procedural trajectories. There are three procedural trajectories, namely: top-down/bottom-up, task allocation and legal dimension. According to Pollitt and Bouckaert (2011), the generalization of implementation is that in practice, these three aspects are interconnected to each other. These three trajectories also refer to the process change of public management reform since it is in reference to the redesigning of systems to become more efficient and effective. The top-down/bottom-up strategy refers to the ways of implementing and communicating. Is it in a traditional authorial way, than it is top-down implemented by the board. If there is bottom-up strategy, the interaction and communication between the employees and the higher levels (line managers, managers, board) will be better and the lower levels (employees) will have more influence. Task allocation is ‘the extent to which new organizations and structures have been created specifically to advance reform’ (Pollitt & Bouckaert, 2011, p. 94). New structures can be created to realize the reforms within the public sector. A new structure of can be created in the form of a new department or a new taskgroup to enhance the effectiveness and efficiency. The legal dimension refers to whether or not a reform debate has taken and what the intensity of this debate was. The question central to this procedural aspect is if governments just ‘barged ahead, trampling the opposition underfoot’ or have they communicated the reform, consulted with other stakeholders and possibly cooperated with relevant partners (Pollitt & Bouckaert, 2011, p. 94). The final reform, management reform, relates to the personnel management/HRM trajectories. In this trajectory it is important to involve the personnel of an organization to accomplish the goals that are set. These trajectories can include, the recruitment of personnel, (extensive) training for personnel and introduction of reward systems. This trajectory is in line with management reform since it refers to managing the people (Pollitt & Bouckaert, 2011).

PM Reform	Trajectory	Aspects of analyzing
structural change <i>merging or dividing public agencies in order to improve or encourage coordination and/or specialization.</i>	Organizational trajectory <i>is in line with structural change because certain structures are scrutinized and reorganized regarding to the four elements.</i>	specialization, coordination, decentralization, and scale.
process change <i>redesigning systems to achieve an more efficient or effective outcome to certain procedures.</i>	procedural trajectory <i>in practice, the three aspects are interconnected to each other.</i>	top-down/ bottom-up, task allocation and legal dimension.
management reform <i>embraces changes in the system by which public servants themselves are recruited, promoted, trained etcetera.</i>	personnel management/HRM trajectory <i>involve the personnel of an organization to accomplish the goals</i>	the recruitment of personnel, (extensive) training for

	<i>that are set.</i>	personnel and introduction of reward systems.
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Table 3. Public management reforms with the corresponding trajectory (Pollitt and Bouckaert, 2011).

2.3.3 Conclusion

Public management reform has the objective to change government performance. Pollit and Bouckaert (2011) have created a model of public management reform which indicates different forces that are responsible for changes. With regard to decentralization, external factors are in place that influence the decision making process to decentralize certain tasks and it influences municipalities to reform in order to handle the new tasks and responsibility. External factors such as political and socioeconomic factors influence decentralization which in turn influence the municipal structure. Public management reforms can take place when the municipalities need to restructure. There are three reforms, structural-, process-, and management reforms. These three reforms evoke their own trajectories, respectively the organizational-, procedural-, personnel management/HRM trajectory. These reforms and trajectories are build as framework to analyze whether or not the decentralization agreements as stated in the administrative agreement 2011-2015 holds up. Municipalities undergo these trajectories in order to achieve the desired objective, that is to execute the decentralized policies to achieve an efficient and effective government.

2.4. Conclusion

The administrative agreement of 2011-2015 that is analyzed in this report revolves around restoring public finances and strengthening the national economy. This can be done by decentralizing policies to local governments. This chapter has illustrated the concepts that are relevant to answer the research question and relate to understanding how to make decentralization succeed. It provides handles for the analysis to see to that extent the decentralization agreements are complied to and what the implications are. The theories of NPM, decentralization and public management reforms are pivotal in understanding the administrative agreement 2011-2015 and how decentralization is designed and implemented. Understanding NPM makes it clear what processes are underlying to decentralization. It also exposes the way the decentralized policies are designed and implemented within the local governments. NPM is an assembly of business ideas, methods and techniques derived from the private sector to make reforms in the public sector succeed. This management theory is however not uncontroversial since there are other ways to design and implement policies. The theory of decentralization itself is a complex matter. With decentralization there are several parties involved and multiple interests to consider. The interests, benefits and pitfalls should be considered when decentralizing policies. Since the central government reduces its tasks by transferring tasks and responsibilities to municipalities, municipalities need to reassess their structure. This refers to public management reforms. The public management reforms evoke trajectories that are considered to be the design and implementing phase of decentralization because they help to realize the desired objective.

According to the literature review, NPM plays an important role in the administrative agreement. The central government wants to focus on decreasing the administrative pressure by decentralizing; activating the municipalities to take on more tasks and responsibilities. With the decentralization of policies, the government aims to save two billion euros which will most likely corresponds with the NPM principle of creating more value for money. Also, the outcome will probably play an important with the decentralization of policies according to the administrative agreement 2011-2015. Since freedom and responsibility are the core elements of the agreement, local governments should be responsible for the input and output and the central government should control the outcome. The (social) effects and results that are achieved with the decentralization of policies is more important to the central government which will illustrates the influence of NPM on decentralization. However, these assumptions will be examined in the study. Regarding the decentralization mode, decentralization of social legislation according to the administrative agreement 2011-2015 is likely to be implemented by the mode of partial decentralization of resources. The local government is responsible for policy implementation and for the policy failure and successes since the central government implicates financial risks and resources to the performance of the local government.

With decentralization the pressure is on for the local governments. They need to cope with the new tasks and responsibilities that will influence their organizational structure. The public management reform has the objective to change government performance. Placing the administrative agreement 2011-2015 in the model of public management reform, the decentralization is influenced by external forces like the political system and the socio-economic forces. The initiative for decentralizing policy lies with the government. The government initiates decentralization as a result of pressure of the society to create a better governance. Political consideration such as decreasing the administrative burden, have also played a role in the implementation of decentralization. There are three public management reform trajectories that will be studied in reference to the design and implementation of the decentralized agreements of the municipalities. The trajectories are: structural change, process change and management reform. These three reforms evoke their own trajectories, respectively the organizational-, procedural-, personnel management/HRM trajectory. These reforms and trajectories are build as framework to analyze whether or not the decentralization agreements as stated in the administrative agreement 2011-2015 are complied to. Municipalities undergo these trajectories in order to achieve the desired objective, that is to execute the decentralized policies to achieve an efficient and effective government. The trajectories are analyzed by the aspects of analyzing (see Table 3) in the interview study and document analysis.

By having clarified the relevant concepts, the acquired insights have become clear. The literature review is intended to serve as a framework to analyze the administrative agreement 2011-2015 in chapter four. The following chapter, chapter three, will discuss the methodology that will be preceding to chapter four.

3. Methods

The purpose of this chapter is to outline the research methodology and to determine the path to obtain the relevant knowledge in order to answer the research question (Lucassen & Olde Hartman, 2007, p.6). This chapter includes the methods for data processing and data analysis. The choice for the data processing will be argued, since the collection of data can be done in various ways. Also the criteria for selection will be discussed. In data analysis the concepts that are important for the analysis will be operationalized according to the theoretical framework. This chapter will display how the data is processed and analyzed and it will help to translate the theoretical framework into the answering of the research questions.

3.1. Research design

For this study, a qualitative research strategy is chosen to study how decentralization works in practice. A qualitative research design is chosen because it is relevant to analyze how the local governments perceive decentralization and how they carry out the decentralized legislation. The views, ability and possibility of the local governments is important because with decentralization, local governments are responsible. In this research, the nature and context of the administrative agreement is studied to become aware what the impact is of decentralization in practice and how it should be arranged. By analyzing how the decentralization agreements are designed and implemented in the local government, the nature and context of the administrative agreement will be exposed because theory will be compared to practice. Besides the nature and context, there are several other reasons why the qualitative approach has been chosen. The main reason is that this study attempts to get an in-depth understanding of how decentralization works in practice and to determine the extent of the NPM approach as a relevant management strategy. The aim is to see to what extent decentralization of social legislation is initiated by NPM.

Babbie (2007) indicates that qualitative research is effective especially when studying social processes over time. Since this report examines the decentralization of social legislation according to the administrative agreement 2011-2015, it relates to a social process of decentralization over a certain time period. Since we are now in 2013, the time period is from 2011 till present. The WWB was transferred to the local governments in 2004, however the time period from 2004 till 2011 is not taken into account since the decentralization agreements are active since 2011. Quantitative answers will not be sufficient in examining if decentralization is likely to be successful. The views of the local governments should be identified to study the how decentralization is arranged in practice. It is necessary to know if the objectives of decentralization are met, but also how they are met or why they are not obtained. Characteristics as size, frequency of symptoms and chains of cause and effect do not really matter. Qualitative research is more appropriate under a less complex circumstance. Decentralization of social legislation is a matter of human interests, it is subjected by factors such as complex social situations and changing demands of the people. It is therefore a complex matter to

which statistical numbers will not suffice since the views of the respondents and their interpretation is pivotal.

3.2. Data collection

In this section the process of collecting data will be explained. Like mentioned in the first chapter, four municipalities will be studied in order to analyze the decentralization of social legislation. The selection of the four municipalities and respondents within these municipalities will be argued. After that, the research design is stated discussing the way of collecting data.

3.2.1. Selecting respondents

To study whether or not the objectives of the administrative agreement 2011-2015 are likely to be achieved, four municipalities will be examined to acquire relevant data to use in this study. Four arbitrary municipalities will be selected depending on size, since the administrative agreement 2011-2015 was implemented at a national level making all municipalities deal with the same directives. The distinction regarding to municipality size will be made since the size of a municipality can provoke decentralization paradoxes. If a municipality is too small, a decentralization paradox can occur due to a lack of capacity which can influence this study. Since there are 415 Dutch municipalities, one rather large-, two medium sized- and one small municipality will be chosen. According to Vliegen and Van Leeuwen (2005) municipalities with a population of 100 thousand or more inhabitants are considered as relatively large municipalities. Municipalities with a population between the 10- and 100 thousand inhabitants are labelled as medium-sized, and municipalities with a population of less than 10 thousand inhabitants are seen as relatively small municipalities. Of the large municipalities, the municipal Enschede is chosen since it has 157.943 residents and is the eleventh large municipality of the Netherlands. The municipalities Hengelo and Almelo are chosen as the medium sized municipalities since they have a population of respectively 80.927 and 72.744 inhabitants. And at last, of the relatively small municipalities, the municipality Dinkelland is chosen. The number of inhabitants of this municipality are 26.087 , which exceed the definition as given by Vliegen and Van Leeuwen (2005).

There is a region influence in the case selection that is established due to logistical considerations. It is also much more convenient to examine municipalities within a single province, and in this case Overijssel, on the basis of the existing network I have at my disposal. Within the four municipalities, several respondents are used to retrieve data. The respondents will be selected from the department that relates to the decentralized social legislation. The goal is to study the views of respondents with different work positions, such as managerial and policy functions. However, it is not feasible to achieve this within each municipality since it is difficult to generally acquire respondents. Therefore, random professionals with different or same functions are selected within the local governments of the department social affairs. In municipality Enschede, four random respondents will be selected that are involved by carrying out the WWB. The same will happen with the municipalities Hengelo, and in Almelo three respondents will be interviewed. Only one respondent will be selected with the

municipality Dinkelland, due to reorganization of the local government. These respondents will be interviewed to see how decentralization works in practice and what their perception is about if the objectives of the administrative agreement 2011-2015 are likely to be obtained. So in total, eleven interviews will be conducted divided under four municipalities. The respondents received a code that consists of an abbreviation of the municipality in which they work, linked to a number to ensure anonymity of respondents. For example, a professional from the municipality of Enschede will have the code EN01 and a professional from the municipality Hengelo will have the code HE04. The anonymity is to create a sense of trust with the respondents and to prevent socially desirable answers.

3.2.2. Interview

To study the decentralization of social legislation according to the administrative agreement 2011-2015, a interview study is conducted. The interviews are necessary to receive information about the background process of decentralization and to see if the decentralization agreements are met. A one-on-one conversation with the respondents is necessary in order to receive information about the decentralization process of social legislation and how they perceive it. The respondents in this study will be subjected to a semi-structured interview. This semi-structured interview design is chosen because the respondents have the possibility to give their view about how decentralization works in practice and how they experience the way of working. It gives the respondents the opportunity to speak up and talk about their experiences and perceptions. With a structured interview the respondents to not have any room to elaborate on certain issues, that is the reason why the semi-structured interview design is chosen (van Thiel, 2009). With the design of a semi-structured interview, the interview takes place with the help of a topic list that indicates the issues that will be discussed and provides direction to the interview to ensure that all relevant issues will be discussed. The issues that will be addressed in the interview are largely based on the topics discussed in the literature review as in chapter 2. The actual topic list is enclosed in appendix 1. Since it is the aim of a semi structured interview to make the respondents talk freely, the topic list consist of several questions to stimulate the respondents to discuss the issues. There are however no questions predetermined and there is no anticipation for certain answers. (Babbie, 2007; van Thiel, 2009). The interviews will be audio taped and partially transcribed to enhance the reliability of this report. With interviews there is no do-over, there is only one chance conduct the interview right. Since the interviews with the respondents are face-to-face, several test interviews were conducted before actually interviewing the respondents. The test interview was also done to see whether or not all topics were covered with the topic list. The duration of one interview will take around thirty minutes.

3.3 Data analysis

This report will analyze the objectives set by the Dutch governments to make decentralization succeed. The intention of this study is not to look for causality but to objectively see how the decentralization works in practice and to study whether or not there is a compliance in the decentralization agreements. Since the WWB was decentralized in 2004, it is possible to analyze if there is a compliance. The purpose of the analysis is to generate an answer to the research and sub

questions. The acquired findings in the literature review also play an important role in analyzing the data and acquiring answers to the central questions of this report. This is manifested by analyzing the data with reference to the aspects of the literature review. It is probable that the data collection will offer a lot of data. After collecting the data, the data analysis takes place. In three steps, the data will be analyzed: collect, organize and analyze. First the collecting of data will be done in the actual research, as explained in the previous paragraph. Second, the data will be organized to select relevant and non-relevant data. Since the data retrieved with the interviews and data analysis is likely to be unstructured due to the fact that it is based on opinions, experiences and non-numerical, the data needs to be coded. By coding the data, a connection is made between specific data units. So after labeling the interpreted data and organizing it, the data will be analyzed by comparing and interrelating the codes given to the interpreted data and by analyzing the meaning of it (van Thiel, 2009).

3.3.1. Document analysis

Merely utilizing the interview design to answer the research questions is not enough. There will also be information drawn from various types of documents which are relevant to this report. Documents such as: plan of approach, policy frameworks, documents and - notes, communication plans and reports will be used. The websites of Divosa, VNG, the government and other relevant agencies will be used to obtain information about the administrative agreement 2011-2015 and decentralization of social legislation. The information which is obtained from the documents will be used in two ways. First, the information will be used to describe the decentralization process according to the administrative agreement 2011-2015 properly. Furthermore, the document analysis will be used to verify the data obtained from the interviews to see if decentralization agreements met. A disadvantage of the use of document analysis is that there is often a case of an overwhelming amount of information, which is the case with this research. Because of this, a conscious selection is made of the required information (Verschuren and Doorewaard, 2004: 124-125).

The document analysis provides a stabile foundation on which the interview results elaborates on. It is the basis of this study since it refers to the policy level it affects instead of the organizational arrangement which the interviews refer to. The decentralization agreements, the legislation itself, the political plans and the upcoming changes are all defined in various policy documents. The influences of NPM ideologies and practices can be identified, the exact definition of the decentralization agreements can be examined and the plans for the WJZ can be studied allowing the research- and sub questions to partially be tackled. With all this information, a value can be linked to the interview results. This allows me to place the interviews results to the theoretical assumptions as stated in the documents. With this, the comparison between theory and practice can be made.

3.4. Operationalization

In this section the topic list is formed. It will offer the possibility for analyzing the collected data with structure and to connect it to the theory of the literature review. This topic-list is categorized by the

central themes of this study which are compliance and the decentralization agreements since these elements play the leading role in analyzing the administrative agreement 2011-2015. It is necessary to explore whether or not these agreements are complied to because they give form to the main principles of the administrative agreement 2011-2015: freedom and responsibility. They are also required to achieve the general objective, that is to become a small, more vigorously, and service provisioned government. The topic list consist of several concepts that represent the relevant issues that will be studied. The items are the specific features of these concepts and the keywords are the elements that will be expected to be under discussion in the research.

In the following reproduction the topic list is displayed with the different concepts, items and keywords that will be used in this study. The concepts are however intertwined leading to an overlap with some items.

Concepts	Items	Keywords
Compliance	<ul style="list-style-type: none"> - Creating guidelines for the central- and local governments to abide by - Complying with rules/procedures versus achieving the objective 	<ul style="list-style-type: none"> • Good governance • Accountability • Procedures and control • Compliance or effectiveness
Policy discretion	<ul style="list-style-type: none"> - Phasing the transfer of decentralization so local governments are able to execute the policies efficient and effectively. - Adequate funding since that is necessary for local governments to execute the decentralized policies. - Transferring tasks and responsibilities without comprehensive quality requirements and boarded-up regulations. 	<ul style="list-style-type: none"> • Phasing policy transfer. • (Financial) support without interference • No strict regulations opposed by the central government.
Reduction of vertical control	<ul style="list-style-type: none"> - Retreating of the central government by limiting control of money supply. - And by limiting control about obtaining information about inter-governmental and inter-administrative supervision. - Transferring tasks and responsibilities without comprehensive quality requirements and boarded-up regulations. 	<ul style="list-style-type: none"> • Less financial control by central government • Central government only demands information when necessary • No strict regulations opposed by the central government.

<p>Possibility to collaborate with other actors</p>	<ul style="list-style-type: none"> - The central government making sure that local governments have an adequate performance capability. - Cooperating with other actors to give substance to the new tasks so an integral, coherent policy can be carried out. - Transferring tasks and responsibilities without comprehensive quality requirements and boarded-up regulations. 	<ul style="list-style-type: none"> • Phasing policy transfer. • Freedom of collaboration • Partnerships
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3.5. Reflection

Contacting professionals of the WWB department of any local government to interview respondents was rather difficult. After finally finding a contact person of the WWB, my network grew very fast resulting in more contact information and retrieving more respondents. I started contacting the local government of Enschede where, after the interviews, the respondents contacted other colleagues of other municipalities. This allowed me to retrieve more respondents of different local governments. However, the process of contacting the respondents and making an appointment did not go very smoothly. At most there was a period of five to six weeks before the actual interview could take place. This can partially be explained by the reorganizations that are taking place within the local governments. However, although the long wait for an appointment, all respondents were very helpful and believed it was a very interesting topic. Most interviews took an hour but since it was an informal setting, the interviews changed into conversations lasting about one and a half hours. The interviews have taken place at the municipal office of the local governments. And after having done the first three interviews, it became clear that the local governments have an informal handling and that a formal approach to the interviews would not work. With the first interview I initially tried a formal approach leading to a rather difficult interview. The first respondent indicated before interviewing that we were at first-name basis. However, during the entire interview I – unintentionally – called the respondent ‘thee’ instead of ‘you’ or by name. This among others led to an awkward interview because there was no connection. With the second and third interview I realized that adapting to the informal spheres would lead to better results. And indeed, there was a better connection with the respondents whereby much more and better information was retrieved. The fourth respondent – also like respondent one – indicated that we were at a first-name basis, and immediately I thought of the first respondent resulting in me to adapt to the setting and address the respondent by first name.

My role as an interviewer was a rather challenging role since it was my job to keep the interviews structured and make sure that I have retrieved all relevant information. Since it was quite difficult to find respondents, I needed to take my chance and gain as much information as possible. The pitfall of an informal setting and an informal interview is that it can become too amicable resulting in not obtaining all data. With most of the respondents there was a tight schedule which did not allow me to deviate too much from the subject. The topic list however, helped me to find structure to obtain the

relevant information. It was also my objective to let the respondents to feel comfortable with me so they would dare to say everything, even the unconventional and disputed issues. I believe that with most of the respondents, I have achieved this objective since most respondents indicated the unconventional and disputed issues. With some respondents a reticence was detected, but with open questions and asking thoroughly some reticence was intercepted. However, due to some nervousness and lack of experience in interviewing I could not circumvent it all. I have experienced that the extent the interviews progressed, the more I felt at ease and familiar with the actual interviewing. The final interviews are therefore better conducted than the first interviews. This however does not need to have any specific implications on the results of the interviews.

3.6. Reliability

Reliability is about to the repeatability of analyses. If the same study is carried out, the same research findings should be discovered. With the interview method of qualitative research it is however difficult to find consistent findings when repeating the study since with an interview the perception and experience of the respondent is analyzed. Therefore, policy documents will also be analyzed to not only provide perspectives and experiences but also facts. It will also tried to be as transparent as possible in the procedures, findings and conclusions and verifiable the aim is to try to make if verifiable. The research method and procedures are documented in this report and the interviews will be audio taped and transcribed. There is also a journal is kept during the entire study. In this journal all notes were reported of the meetings, discussions, actions and ideas.

3.7. Credibility

The credibility of a qualitative research refers to if the researcher measured what was intended to measure. It relates also to the generalizability of a study. The question is asked: are the findings also applicable in other research fields? To enhance the credibility of this study a methodological triangulation of data is used. An associate professor of the University of Twente reviews this study, which adds to the credibility. In order to prevent socially desirable answers during the interviews, it is communicated that the respondents are anonymous. And to enhance the generalizability, four municipalities in the region of Twente were carefully selected that should extend the findings to all municipalities in the region of Twente. The WWB will be studied as pioneer of decentralization of social legislation, which should be extended to all social legislations that are to be decentralized. However, it is rather questionable if that really is the case since social legislations are quite complex and differ from one another.

3.8. Conclusion

There are certain steps to make in order to answer the research- and sub questions. To generate relevant and sufficient data, the study must be carried out correctly. By interviewing eleven respondents in four local governments of the region Twente, data should be collected that can be utilized efficiently. Random professionals are selected with different or same functions within the local governments of the department social affairs. The respondents in this study will be subjected to a

semi-structured interview to give the respondents their view about how decentralization works in practice and how they experience the way of working. It gives the respondents the opportunity to speak up and talk about their experiences and perceptions. After collecting the data, the data analysis takes place by organizing and analyzing it. Besides the interview method, the document analysis will also provide a stable foundation on which the interview results will elaborate on since it affects the policy level of decentralization. The interviews refer to the organizational arrangement. By maintaining a qualitative research strategy, it should become clear how decentralization works in practice. An in-depth understanding should be retrieved whereby also to the extent of the NPM approach as a relevant management strategy can be determined.

Chapter 4. Analysis

The objective of this chapter is to analyze to what extent the assumption 'compliance of the coherent decentralization agreements is necessary to make decentralization succeed', is accurate. It is the purpose to gain insights in how to make decentralization succeed in practice, looking at the compliance, effects and implications of the WWB. Generating insights about decentralization is difficult since it is complex and dynamic. It is therefore an ongoing (thought-)process to generate the right insights.

Decentralization must be successful in order to achieve the general objective of the central government: becoming a small, more vigorously, and public service delivered government. The administrative agreement 2011-2015 provides theoretical guidelines and assumptions about how to make decentralization work. There are several conditions stated that can be summarized in three decentralization agreements of which the coherence should be present with decentralization. According to the administrative agreement 2011-2015, the decentralizations will be implemented in compliance to the decentralization agreements, making the central government successfully decentralize policies to local governments. Since decentralization is according to the administrative agreement likely to succeed, the central government can become more efficient and effective. However, it is important to notice that these conditions and assumptions are all theoretical substantiated. The importance of this study is to analyze whether or not the theory corresponds with actual decentralizations. Therefore, the WWB is taken at basis to set off the decentralization agreements. The WWB is analyzed in order to evaluate if decentralization is successfully transferred to the local governments, how it is designed, and if there are recommendations for upcoming decentralizations. In this chapter, theory and practice are compared to each other to evaluate if the decentralization agreements are implemented in practice in order to make decentralization succeed.

4.1. The decentralization agreements

The objective of this paragraph is to provide insights into the compliance question regarding the agreements that are reached by the central- and local governments. If the central- and local governments comply to these decentralization agreements, decentralization is likely to succeed. The three decentralization agreements are defined as: policy discretion, reduction of vertical control, and enabling local authorities to collaborate with other authorities, citizens and civil society organizations. The three decentralization agreements are related to each other and during the study it appeared that policy discretion and vertical control are intertwined. None the less, these agreements are analysed individually according to the decentralized legislation of the WWB by the views of the municipalities and policy documents. This analysis will provide more grip in order to learn how decentralization is actually designed and implemented at local level instead of the theoretical intention. By analyzing an already decentralized legislation, it will be discovered if decentralization is successful. It will also expose to which extent the central government will become more efficient and effective if the

government will continue in this manner. This paragraph is organized by analyzing the individual decentralization agreements.

4.1.1. Policy discretion

This subparagraph analyzes policy discretion to evaluate whether or not the central government provides the local governments freedom and responsibility to carry out the tasks associated with decentralization, as included in the administrative agreement 2011-2015. If the central government enables local governments to act with freedom of policy, one of the aspects is maintained making decentralization a step closer to success. To analyze whether or not the local governments have policy discretion, elements such as the demarcation of the legislation, the relationship between central- and local government, influences of society and resources are scrutinized since they represent the freedom for local governments to adapt to certain circumstances. Policy discretion is a vital part of decentralization since it enables the one of the key elements, that is providing customized service for citizens and having no strict regulations opposed by the central government. This can only be achieved if the local government has the possibility to adjust policies to the needs of their citizens. Policy discretion allows local governments to have certain freedom to make the policy their own and to create own ordinances based on what the municipality believe. If the central government frequently applies changes or adjustments in the legislation, the discretion for local government to make the policy their own is not possible.

Demarcation of the legislation

Local governments can only receive policy discretion if the legislation is not too specific. If the legislation exist of many rules, regulations and exceptions of the rules, the local governments do not have much room to customize the legislation to the needs of their citizens. Not being able to provide customization is a problematic matter since it is in contrast to what decentralization stands for. Bannink and Ossewaarde (2012) have indicated that decentralization has certain pitfalls, where not having sufficient resources to carry out the policies is one of them. If policy discretion is present, a greater involvement of citizens in governance is provided since it is less difficult for citizens to exert influence at the local level than at a national level. This is key to decentralization. While analyzing the WWB, it appeared that the WWB is a demarcated legislation since it is a very specified law. So even though the WWB is in hands of the local governments, citizens are not really able to influence the policies due to the strict and specified legislation. This aspect of the WWB raises a crucial error of decentralization which is supported by Halverson (2003). According to Halverson (2003) it is important that citizens are able to influence policies that affect them and it should therefore provide a greater involvement of citizens in governance. Involving the theory of Halverson (2003) with decentralization, it corresponds with citizens influencing policies in an indirect way by choosing their representatives at a local level. This is because the local politics will act on behalf of the citizens. With the increased – indirect – involvement of citizens, local governments can tailor the policies to the needs of the people and can therefore be efficient and effective. However, it may be questioned to what extent the theory of Halverson (2003) is feasible in practice. With the WWB, the local governments have little say and that *'shaping the WWB to the view of the local government is difficult since the WWB is a framed*

legislation' EN02 indicates. HE04 discloses however the contrary. This respondent says that in Hengelo, a professional of the WWB is in the participation council of the VNG, allowing this respondent to act on behalf of Hengelo. This contradiction indicates that there is some inconsistency regarding the involvement. However, Hengelo indicates that the participation is limited and that not all local governments are involved. EN01 complements its previous remark that due to the specified legislation, the local governments have to carry out the legislation '*by letter of the law*'. Since the central government describes every detail in the legislation, the vision of Halverson (2003) is therefore infeasible. This is consistent with Bannink and Ossewaarde (2012) that indicate that in this case, there is too much control by the central government leaving little policy freedom. This indicates that policy discretion and vertical control are intertwined. If there is little possibility for local governments to make the WWB their own, it is because the central government holds too much control over the policy making and implementation. Policy discretion is represented by the ordinances of a local government because it should enable local governments to adjust the legislation to the needs of their citizens. However with the WWB, the detailed description of the legislation reduces the possibility for local governments to create ordinances, resulting in local governments establishing ordinances to a limited extent. Because of this, the possibility for policy discretion is currently not achieved since the central government determines the regulations the municipalities need to comply to.

So, due to the demarcation and framing of the legislation, little policy discretion is possible for local governments. The central government determines the rules and regulations of the legislation and leaves little room for a local interpretation. Because the theory of Halverson (2003) does not hold up in practice with the WWB does not mean that Halverson's idea of citizens involvement is not feasible at all. Respondents do indicate that the WWB is a non conventional decentralized legislation. EN01 indicates that with the decentralization of the WMO the central government has created a lot of policy discretion for the local government allowing the citizens to influence the legislation. The ministry of VWS has created the legislation wherein local government have freedom to apply the legislation in their own way. With the WWB however, this is not achieved. The Ministry of Social Affairs (SZW) explicitly captures in the WWB legislation how the local government should execute the WWB and to what conditions the municipality must comply. So, the strict and specific demarcation of the WWB makes citizen involvement not possible and allows therefore little policy discretion for local governments.

Relationship between the central- and local government

Keuzenkamp (2009) indicates that the relationship between the central government and the municipalities should be good to enhance efficiency and effectiveness of the state. However, there is a gap perceived between the developed policies by the policy makers and in practice at a local level. It appears that theory and practice are not well aligned. The central government creates standardized policies disabling local governments to find creative solutions for social issues. These standardized policies lead to standardized and uniform procedures disabling customization of the decentralized legislation. Standardization and uniform implementation is created in order to save money. So, besides the decentralization of legislation the central government also wants to standardize

procedures all for the benefit of the central governments finances. This practise is in contrast to what decentralization stands for. Allers and de Kam (2010) and Treisman (2002) indicate that decentralization should enhance innovation since experimenting at national level is irresponsible. They say that decentralization should give the local governments the freedom to autonomously implement policies and it should create the opportunity to utilize various solutions for social issues. With the WWB however, these indicators about how to make decentralization succeed are not underlined due to the lack of policy discretion for the local governments. It is however the paradox that Allers and de Kam (2010) predict. They indicate that decentralization has the pitfall of creating numerous rules where the local governments must adhere to. And since the local governments find that there are strict rules opposed and they do not have much say in the policy development, they agree with the pitfall Allers and de Kam (2010) indicate. DI11 says: *'the central government says that municipalities have freedom, but in the meantime we still have to follow the many rules and submit various forms and such'*. The central government restrains the local governments to experiment on policies and to customize it to adapt to the needs of their citizens. The respondents indicate that the policy development is too strict and mostly developed top-down making the policies infeasible to implement in practice. With changes like cutbacks in budget, the central government sometimes act *'a penny wise but a pound foolish'*, says EN03. This is because the central government implements adjustments that do not contribute much to the efficiency of the legislation and there is little citizen involvement. If the local governments would be more involved with the policy development, AL08 indicates that most policy adjustments or changes would not be implemented at all. This illustrates the gap that reflects the poor relationship between the central- and local government because the created policies do not match practice.

A practical example of the inefficiency of policy opposed by the central government is the introduction of the household assessment. This assessment was too controversial and did not work in practice and as a result, it was abolished after a half year. At macro level, the household assessment seemed good but at micro level, at the level of the citizen, the household assessment was not feasible. With the measure of the household assessment beneficiaries were notified that within a short period of time, their income is to decline in some cases to perhaps 50%. This indicates that the central government functions top-down and that in theory, legislation and rules are created that do not function in practice. Allers and de Kam (2010) explain this by the assumption that the policymakers are far removed from the work field leading to rules and regulations that are not working. This view is in contrast to what Allers and de Kam (2010) and Treisman (2002) find to be the essence of decentralization. EN03 indicates that the central government insufficiently evaluates the effect of adjustments applied to the legislation on the beneficiaries. There are frequently changes applied to the WWB and the actual impact of all these changes on citizens are not examined as a whole. The central government should take more time to make a continued calculation in an earlier stage before implementing the adjustments. *'Instead of examining the effect of an individual measure the coherence of all adjusted measures should be examined'* says EN03. While according to Wever, Top and Drent (2011) decentralization should bring the government closer to their people, the WWB ensures the opposite.

There is a greater distance between citizen and government because of the poor relationship between the central- and local government. This results in the service provision of the WWB being inadequate.

Thus, the poor relationship between the central- and local government results in inefficient and ineffective policies that are opposed by the central government since the theory does not match practice. However, the gap between theory and practice should not be present since the creation of policies are politically tinted and the views of the many is taken into consideration. AL08 and AL09 indicates that nowadays, there is a kind of Zero Tolerance policy for people that receive a WWB which is reflected in the policies. Society and politics influence the policy making, allowing *'people with behavioral issues to be overshadowed by the clampdown on politics'* says AL08. This underlines the view of Pollit and Bouckaert (2011) since they indicate that the society and political forces influence decentralization. And since there is little solidarity for WWB beneficiaries, strict decision making with regard to the WWB is expected by society. A remark regarding the model of Pollit and Bouckaert (2007) is that the politics can also influence the perception of society by the information given regarding certain issues. The lack of solidarity by society can also be initiated by the politics to create stricter regulations in order to save money. Pollit and Bouckaert (2011) do not indicate an interaction between socio-economic forces and the political system since politics can, and I believe do, influence socio-economic forces. However, there is a lack of theoretical substantiation that can underline my thought process since the focus lies on decentralization instead of policy development.

Influences of society

Halverson complements Keuzenkamp (2009) by indicating that the relationship can be good if there is citizens involvement. If there is involvement, municipalities can find a balance applying the context of national policy goals and to be able to adapt to the needs of their citizens. However, with the WWB the local government are not able to find a balance since they merely need to carry out the legislation having little input. Citizens involvement is limited even though the legislation affects society. If there was involvement of the local government, inefficient policies would be circumvented. The example of the household assessment actually agrees with Wever, Top and Drent (2011), since this is a way not to implement changes due to the inefficiency of service provision. It also indicates that the theory of Halverson (2003) is not implemented in practice because citizens do not influence policy. If citizens indirectly would had any say though the local governments, the household assessment would probably never be implemented. HE05 indicates that *'the central government implements policies that may seem good in theory but are not feasible in practice'*. Normally at a local level, the local government/politics decides how the legislation will be organized allowing citizens to indirectly exert influence. But since the WWB is so specific, local governments find that they do not have much room to shape the policies whereby a lack of policy discretion is experienced.

Since the central government creates and adjusts the legislation, there are serious implications such as societal effects associated with every regulation, change or adjustment. For example, the participation budget helps to keep people socially active. This has an impact on the decrease of among others, disease costs and crime rates, and the improved self-esteem of beneficiaries. Adjusting

the legislation by a cutback in budget, results in social implications. This complements the model of public management reform by Pollit and Bouckaert (2011). Pollit and Bouckaert (2011) indicate that different forces are responsible for changes in the public sector, thus also for decentralization. However, they do not indicate that the changes in the public sector are responsible for socio-economic and political changes, making the model an interaction of different forces in society.

Financial means

Approximately half of all local governments face a lack of financial means. The Ministry of SZW has created a standardized distribution model based on several indicators to provide a budget to the central government. The respondents indicate that this model is not a fitting model for all municipalities. HE04 even indicates that this model enhances the lack of policy discretion since the *'lack of financial resources enables the central government to set even stricter rules and regulations for the municipalities to comply to'*. This leaves the local governments a limited policy discretion whereby customization to tailor the policies to the needs of the citizens is not possible. So, the lack of policy discretion and customization is perceived as a result of the deficit since the central government interferes with their way of working which is in contrast to the statements of Allers and de Kam (2010) and Treisman (2002). They indicate that decentralization enhances innovation in policies since the local authorities obtain more autonomy to implement policies. Local governments should be able to utilize various solutions for social issues. However, when asked if the respondents experienced the ability to utilize 'out of the box' solutions, they indicated that it is not possible. The local governments are extremely strict in carrying out the WWB and DI11 indicates that *'there is no other way'*. They however do say that they might feel different if there was no financial deficit since there is a relationship between the financial deficit and strict regulations.

Policy discretion in conclusion

Referring to the compliance issue, the central government disables the possibility for local governments to customize the policies to the needs of their citizens. Local governments have little policy discretion, resulting in one of the three decentralization agreements not to be obtained. According to the administrative agreement 2011-2015 (2011) and Wever, Top & Drent (2011), it is the aim of decentralization to save money for the central government and provide a better tailored to the needs policy for citizens. To achieve this condition, policy discretion is necessary. However, this study has shown that there is a relative absence of policy discretion. This means that the objective of the administrative agreement 2011-2015 and Wever, Top & Drent (2011) is not to be obtained. How will decentralization succeed if such a vital part is absent? Placing this theoretical absence in practice, means that the WWB lacks efficiency and effectiveness resulting in an inefficient service provision by the government. This is due to extreme demarcation of legislation, the lack of influence on policy development and the shortage in budget. So, why do the governments state in the administrative agreement 2011-2015 that policy discretion is pivotal for decentralization to succeed if the central government is not holding up to the agreement? In order to save money, which is the objective of the central government, the central governments need to let local governments be autonomous and let

them have the freedom to create their own ordinances. The central government reduces these so called rights which is pivotal for decentralization, with the risk of making decentralization unsuccessful. The reason why the central government is taking this risk with the WWB can be due to the fact that the WWB is a specific different case and providing customization for beneficiaries will cost a lot of money. However, this does not condone the fact that the central government does not adhere to the agreements that are made. Although these agreements are made in 2011 and the WWB was implemented in 2004, the central government needs to adapt to the changing political views and stated conditions. Since decentralization is an ongoing process and the interdependence between the central- and local government is a continued dependency as Keuzenkamp (2009) would state. The relationship is characterized by an ongoing relationship subjected to socio-economic and political forces, as Pollit and Bouckaert (2011) would state. In addition to the model of Pollit and Bouckaert, is that the changes in the public sector influence socio- and political changes, making the model an interactive model of different forces in society. Keuzenkamp (2009) and Pollitt and Bouckaert (2011) complement each other and indicate that the relationship between the central- and local government should be good to achieve an efficient and effective form of decentralization. Currently, the interdependency between the local- and central government is being exploited by the central government by creating an financial dependency. The poor relationship influences the decentralization of social legislation negatively since it impacts society.

To enhance policy discretion, the central government should let local governments influence the legislation more by providing them the ability to create their own ordinances. With the standardized laws and regulations, the local governments only have the ability to provide standardized services. This does not contribute to the essence of decentralization. Placing the theory of Halverson (2003) in practice, policy discretion can be fostered by enabling citizens to influence the legislation indirectly by giving the local governments more input. With only this change, decentralization can become more successful since it enables local governments to provide customization and innovation as Allers and de Kam (2010) and Treisman (2002) would want.

4.1.2. Vertical control

This subparagraph illustrates the degree of control by the central government. If there is a strong vertical control, the central government pulls the strings allowing the local governments not to act as an autonomous body. To analyze vertical control, the decentralization mode of the WWB is analyzed along with accountability and the possibility for customization since it represents the involvement of the central government. Interference of the central government in respect to local governments carrying out the decentralized legislation is in conflict with the conditions for a successful decentralization. That is why the administrative agreement 2011-2015 has incorporated that the central government should let the local governments carry out their tasks and interfere only when necessary. A retreating central government can be obtained if the central government has less financial control, demands information only when necessary, and by not opposing strict regulations. If vertical control is limited, a condition of the decentralization agreement is obtained.

Decentralization mode

The WWB can be placed in one of the four modes of decentralization. Like Bannink and Ossewaarde (2012) conclude, the decentralization of the WWB is a partial decentralization of resources which supports the responsibility as accountability. The central government has chosen for this type of decentralization due to the primary policy objective of 'work comes before benefit' and that 'any form of labor is appropriate', on the grounds that people do not need to make use of the WWB. The central government is responsible for the policy making process and the local governments carry out the decentralized legislation while bearing the financial risks and resources. The decentralization to local governments not only influences the internal task division and responsibilities, but it also impacts the municipal finance. Local governments can no longer claim the expenses of the benefit provision from the central government, they receive a budget of the Ministry of SWZ to provide the WWB benefit. It is important for municipalities to restrict the inflow, to increase outflow and prevent fraud of the WWB since each beneficiary is an expense that influences the budget. AL08 indicates that this is the objective of the WWB according to which the local governments work and their objective is to reduce WWB beneficiaries. And sometimes it is difficult to comply to these objectives because it can be dehumanizing and degrading for people. AL09 indicates that although it is their primary objective to make fewer people claim the WWB in order to spare more money, local governments do not have tunnel vision. The proper care is being given to the beneficiaries. This is in contrast to the statement of AL08. This contradiction in statements can be explained due to the fact that AL09 has a higher ranked function within the municipality and is therefore able to see the bigger picture or therefore has a agenda not to be completely transparent.

Placing the theory of Bannink and Ossewaarde (2012) in practice, the financial implication implies that municipalities bear the risks of policy failure and success since every beneficiary directly affects the local budget. It is a policy failure when the inflow of beneficiaries is not limited and the outflow of beneficiaries is not enhanced, leaving the local governments with a financial deficit. However, this risk can lead to local governments not providing quality their work because they will focus on the people that easier to reintegrate to work or creating stricter rules since their aim is to have less beneficiaries. This complies to certain extent to the insights AL08 has given. Bannink and Ossewaarde (2012) also point out these issues and indicate it as paradox. Keuzenkamp (2009) complements the paradox of Bannink and Ossewaarde (2012) by stating that local governments are expected to execute the decentralized tasks and responsibilities efficient and effectively in the context of national policy goals. They should however also be able to adapt to the needs of their citizens and find a balance in these two counterparts. The question if the WWB will evoke a paradox, and all matters around this issue will be discussed in the paragraph of recommendations for the WJZ, since the occurrence or absence of a paradox will provide learning points for this upcoming decentralization.

Accountability

The responsibility this decentralization mode evokes is according to Bannink and Ossewaarde (2012) that the local government is accountability. This is in accordance with Shah (1999), that indicates that decentralization ensures accountability of local governments. In essence, local governments are responsible for executing the WWB and they have to give account to the central government regarding the in-and outflow of beneficiaries besides the yearly audit by the council of the local government. AL10 indicates that local governments need to answer to the central government and to the local council about the performance of the municipalities. These responsibility form illustrate vertical and horizontal accountability Argawal and Ribot (2002) talk about. The inspection authority of work and income (IWI) of the Ministry of SZW controls the municipalities' legitimacy and effectiveness regarding the execution of the WWB. Legitimacy is being evaluated by among others the maintaining of the statutory deadlines and effectiveness is evaluated by among others the reintegration activities and outflow. If the ministry concludes that the local governments have not performed according to plan allowing a financial deficit (a 1% deviation from the norm), an negative recommendation and measures are imposed which have consequences for the supplementary budget. When there is a financial deficit, the control of the central government will be strengthened and the local government will be held accountable for that deficit. These types of accountability counters the possibility for corruption of the local governments since they are accountable for their actions, as Argawal and Ribot (2002) would indicate. HE04 indicates that the central government is '*opposing penalties and strict regulations to the local governments, forcing them to write a plan of action*'. With this, HE04 indicates that the central government performs too much control leading to an '*increased administrative burden*' since the plan of action is quite elaborative. So, the vertical accountability of the central government leads to vertical control which is in breach with Shah's (1999) view of decentralization. Van Kersbergen and van Waarden (2004) agree and indicate that local government should obtain autonomy and that the level of control of the central government will result in centralization of decentralization. De Vries (2000) complements van Kersbergen and van Waarden (2004) by stating that a drawback of decentralization is that policies are centralized due to the incapability of local governments. The suggestion of van Kersbergen and van Waarden (2004) and de Vries (2000) is in accordance to the practice. The local governments Enschede, Almelo and Dinkelland explicitly indicates that there is a breach of decentralization. They find that there is a centralization of the legislation since there is too much administrative burden for the local governments since they have to give account in how they addresses issues. Especially when there is a financial deficit, the Ministry scrutinizes the functioning of the municipality and examines if the municipality complies with the WWB legislation. This allows the Ministry pulls the strings by keeping financial control. The local government of Hengelo indicates that the policies tends to centralization, but are very careful with this statement. When confronted Hengelo that centralization was the view of Enschede, they sort of aligned with Enschede not giving an explicit answer. This can be due to the fact that Hengelo does not have an extreme financial deficit compared to the other local governments. Enschede and Almelo receive a MAU, a multi-annual supplementary budget, while Hengelo receives a IAW, which is an incidental supplementary budget. Dinkelland does not have the administrative power and is therefore incapable, as de Vries (2000) would state. This local government therefore merges with the municipality of Tubbergen.

Customization

Due to the strong control of the central government, customization tailored to the needs of the citizens is difficult for the local governments. According to AL09, the local government experiences '*freedom in restraint*' since the central government has control over the financial resources. If a local government faces a financial deficit, the central government controls the way the municipalities are implementing the WWB legislation. There is a margin stated within which the municipalities may deviate from regarding the implementation of the WWB. If the municipalities deviate from this, the central government can penalize the local governments. So, due to the financial control the local governments are not able to provide customizations because they will then deviate from the legislation since it is very specific. The lack of customization due to financial control also results in the cutbacks of the central government. Due to the cutbacks, HE05 indicates that e-services are implemented. E-services decrease the room for customization since they are electronic services online to help people more efficiently. It comes at the expense of providing customization because procedures are standardized.

The Ministry of SZW explicitly captures in the WWB legislation how the local government should execute the WWB and to what conditions the municipality must comply. The WWB is therefore seen as a framed legislation. So, the control of the central government is manifested in the financial control the government has over the local governments and by the adjustments the Ministry makes which the municipalities must comply to. Wallis and Oates (1998) indicate that a local interpretation of policies enable local governments to respond to the needs of the citizens more accurately. However, with the WWB the central government creates strict rules and regulations regarding the legislation, EN03 indicates that '*local governments are not able to give a local interpretation of the legislation*'. So, instead of the central government taking a step back, as indicated by Wallis and Oates (1998), the central government is taking a leading part which is in contrast to the elements of decentralization. This reduces the possibility for local governments to respond to the needs of the citizens, whereby customization can not be achieved. Although local governments are closer to their citizens and are more involved and up to date with their needs, the local government find that they can not be responsive due to vertical control and the lack of policy discretion. This is resulting in not obtaining the objective for achieving an efficient and effective government since BMC (2009) and Keuzenkamp (2009) indicate that providing customization contributes to a good governance. Wever, Top and Drent (2011) indicate that customization is essential for decentralization. So, the lack of customization comes at the expense of successfully decentralizing the WWB. The vertical control results in a very specific legislation where the municipalities need to comply to or financial penalties will be imposed. The lack of sufficient financial means and cutbacks by the central government do also not contribute to the possibility for customization. In addition, it contributes to the central government for increasing the vertical control.

Vertical control in conclusion

Returning to the compliance issue, the condition; reducing vertical control, is not obtained. There is a strong vertical control which disables the possibility for the local governments to act as a autonomous body. The absence of this individual condition has consequences for decentralization. As stated before, the central government should not interfere as much in the policy implementation to make decentralization succeed. However, the study has shown that the local governments experience a vertical control and therefore interference by the central government mainly due to two reasons. The vertical control is experienced due to the vertical accountability and financial deficit the municipalities face. Local governments can therefore not provide customization resulting in the essence of decentralization not to be obtained. The control by deficit is experienced due to the partial decentralization of the WWB that results in vertical control. The accountability responsibility mode of Bannink and Ossewaarde (2012) enhances the vertical and horizontal accountability as Argawal and Ribot (2002) and Shah (1999) indicate. Accountability is a good thing since it restrains corruption and enhances good governance (Argawal and Ribot, 2002). However, the accountability of the WWB has led to a strict control of the central government, which is in breach with decentralization. The vertical control will result in '*centralizing decentralization*' as EN03 indicates, since the local governments will not have much input and the central government is laying out strict rules and regulations. So, the partial decentralization of Bannink and Ossewaarde (2012) can be the blame of the vertical control. If there would be a complete decentralization, the local government would have more say and the central government could not interfere. This is because complete decentralization enables responsibility as a virtue making the central government no longer responsible for their citizens since the local government can legitimately act. The vertical control is also experienced since the central government has financial control and opposes strict regulations. Due to this control, there is no local interpretation of policies which is in breach with decentralization since the central government opposing strict regulations (Wallis & Oates, 1998). The relationship between the municipalities and the central government is therefore at loggerheads because the central government transfers policies but keeps control over the financial resources. The financial means are deployed as threatening means to the municipalities making them comply with the strict conditions created by the central government. The financial control is experienced evidently by all respondents. Van Kersbergen and van Waarden (2004) indicate that local government should obtain autonomy in order to make decentralization succeed. However, with the existing vertical control, the local government will experience anything but autonomy.

Concluding that the central government induces vertical control, allows the central government not to hold up to the decentralization agreement: reducing vertical control, resulting in the WWB not to be efficient and effective. The purpose of decentralization will not be obtained since decentralization stands for autonomy of the local government as Wallis and Oates (1998) and van Kersbergen and van Waarden (2004) would indicate. The central government interferes with the local governments too much, the local governments indicate. However, there is a relevant remark to state. Namely that the Ministry of SZW is not studied. So the reason why the central government is controlling the local governments is not clear. Is it because the local governments do not execute the WWB well, or is it

because the central government wants to keep control and merely wants to save money. An unambiguous answer can not be given.

4.1.3. Collaboration with other actors

This subparagraph elaborates on the final decentralization agreement and analyzes whether or not the local governments collaborate with other actors. The municipalities are analyzed to see if the decentralization agreement 'collaboration' can be achieved by analyzing the resources and administrative capacity. To create a greater administrative power, the local governments should collaborate to deal with the scale and multiple interests of their citizens. So, if the condition of collaboration is obtained, the local government should be able to be more responsive and create a more efficient policy. The local governments encounter a lot of complex matters associated with their citizens when providing a WWB benefit. There are different tasks, interests and societal problems associated with the provision of the WWB. To serve their citizens well, local governments need to be equipped with sufficient resources. They should therefore be enabled to collaborate with other actors to increase efficiency if the right resources are not at their immediate disposal. If the local governments are not able to collaborate with other actors, they can not guarantee a good service provision.

Sufficient resources

To implement the decentralized policies efficiently, local governments must have sufficient resources available. Resources are items like knowledge and skills, adequate staffing and financial resources. As Keuzenkamp (2009) indicates, the central government must facilitate local governments in their tasks and responsibilities in order to carry out the decentralized legislation efficient and effectively. The study has shown that the municipalities have sufficient skills en knowledge. So, regarding these resources, local governments do not need to collaborate since they have these resources at their immediate disposal. The central government provides a good information flow and the local government is up to date with all relevant knowledge. Even though the information stream is good, EN03 indicates that the central government should take more time to consider the adjustments to the legislation. The Ministry is increasingly and rapidly making changes in a short time span, giving the local governments little time to implement the changes. Local governments receive little time to notify citizens with upcoming changes and to inform citizens about the (often) financial implications, which is a critique point in the efficiency of local governments. AL09 indicates that local governments are able to anticipate the decision making process, making it possible for the local governments to respond to the changes. The respondents all agree that this causes much confusion and irritation with citizens. HE06 gives an example of a decision that was pushed through with little time span for local governments to anticipate on. On December 21, 2011 a decision was approved regarding household assistance. The effective date of this decision was January 1, 2012. This example illustrates the central government not providing 'sufficient resources' and not 'facilitating local governments' in order to carry out the WWB efficient and effective. The short time-span indicates the central government not taking the administrative strength of the municipalities into account. This is in contrary to what

Keuzenkamp (2009) states, since the local government is not well facilitated to carry out the changes policy.

Regarding the finances and adequate staffing, the local governments also do not have insufficient resources. Due to budget cuts, the local governments indicate that they need to slim down in the workforce, making professionals do more work with less money and fewer people. So, the lack of sufficient financial resources affect the staffing as inadequate. To deal with these insufficiencies, local government should collaborate to become more efficient and effective. The central government enables the local governments to collaborate with other actors to compensate with the resources that are not at their immediate disposal. As already discussed, the deficiency of financial resources enhances vertical control and lacks policy discretion. Van Kersbergen and van Waarden (2004) indicate that local governments should receive autonomy to make decentralization succeed. Regarding the policy discretion and reducing vertical control the autonomy can not be obtained. With the collaboration on the other hand, the local governments are able to do this in full autonomy. Local governments collaborate with other non- or semipublic agencies to achieve their WWB objectives. And due to the cutbacks, local governments are somewhat obliged to collaborate in order to handle their tasks and responsibilities.

Municipal reorganization

Like de Vries (2000) and Allers and de Kam (2010) indicate, a drawback of decentralization can be that it leads to a centralization of policies. Centralization of policies can occur when there is a uniform policy implementation among local governments. With the decentralization of the WWB, local governments receive more tasks and responsibilities. Some local governments lack administrative power due to the size of the local government. If the argument of Keuzenkamp (2009) is not taken into consideration and the central government decentralizes tasks without holding the administrative power of the local governments into account, local governments need to collaborate with other actors. The expansion in scale help local governments to create efficient and effective policy implementation. It allows the decentralized tasks to be conducted in larger municipal organizations. Smaller municipalities like the municipality Dinkelland are under pressure since they manage less extensive problems compared to the larger ones. The lack of performance capability and sufficient resources allows them to merge with other municipalities, which is the case with the municipality Dinkelland and Tubbergen. They are creating with effect of 1 January 2013 one administrative organization that shall serve both municipalities. Through this cooperation, the municipalities can work more efficiently as decentralization aims to since the local government creates a greater administrative power, as is in agreement with Keuzenkamp (2009). With this collaboration, local governments are able to do a better job with less money. There is a political debate to merge local governments to create relatively large municipalities (with 100.000+ residents) so local governments can carry out their tasks practically independent and work more efficient and effective. The objective to reclassify local governments to 100.000+ municipalities so they have an increased capacity. According to Bekkers and Bouwmans (2010) it is the assumption that 100.000+ municipalities have enough of the right recourses, like staff, budget and experience. The respondents do agree that smaller governments often do not have

sufficient tools and manpower to serve their citizens. Respondent HE07 said: *'the smaller the municipalities, the bigger the burden'*. However, large municipalities leads to a uniform implementation of legislation since there are a larger concentration of citizens to take into account. AL09 indicates that the collaboration needs to be *'voluntarily and dynamic'* to keep innovating and function efficient and effective. The theory of Bekkers and Bouwmans (2010) is not endorsed by local governments. Changing partnerships are necessary to handle the dynamic of society. With a greater scope, local governments can act as a powerful government. however, this needs to be voluntary. The merging of municipalities, as initiated by the central government is not the solution.

Collaboration in conclusion

Local governments are able to collaborate with various actors, and they do so to create a more efficient and effective policy implementation. This concludes the final decentralization agreement with the result that the condition collaboration is obtained. Regarding the WWB, the local governments are allowed and are active in collaborating with other actors. This contributes to making decentralization successful since the efficiency and effectiveness is increased. Local governments do not have all relevant and right resources, such as expertise regarding specific training or mental condition, because the WWB covers comprehensive issues. Therefore, local governments collaborate with other actors. The lack of financial means results in a reduction of personnel which leads to more time constraints because the existing staff is not able to handle the workload. Local governments have to do more work with fewer people while maintaining the same level of service. To handle the workload, municipalities engage in collaborations with other actors. So, the central government not only enables local governments to collaborate, local governments are practically forced to collaborate. Since the local governments are free to collaborate with whom they prefer, local governments are supported in their autonomy. This is in agreement with van Kersbergen and van Waarden (2004) and therefore contributes to making decentralization successful.

The central government facilitates the local governments concerning skills en knowledge, which is in consistency to Keuzenkamp (2009). However, the time-span the local governments are given to implement policies are not always according to Keuzenkamp (2009) since the central government not always keeps the administrative strength of the local government into account. To deal with this, the local governments are able to collaborate with other municipalities or other actors. EN02 indicates that *'Enschede is one of the most proactive municipalities when it comes to collaboration'*. The expansion in administrative power helps local governments to create efficient and effective policy implementation. Small municipalities especially should benefit from this, since they do not have enough administrative strength, which is in line with Keuzenkamp (2009). However, the political debate to merge local governments to create large municipalities with 100.000+ residents is not in taste of the local governments. They indicate that - just like de Vries (2000) says -, it enhances centralization of legislation, making the local government deviate from their residents. Centralization of legislation can be countered if local governments have the freedom to collaborate with various actors and local governments instead of mandatory linking municipalities to each other. To deal with the dynamic of

society, the collaboration with other actors needs to be voluntary and ranging, like AL09 suggests. This is not in consistency with Bekkers and Bouwmans (2010) since they do not take the changing society into account.

4.2. WWB and NPM

The objective of this paragraph is to examine whether or not NPM elements are present in the design and implementation of the WWB. To achieve this, the local governments are studied by the way they carry out the legislation and how they enhance efficiency and effectiveness. Since NPM is seen as an initiator of decentralization, there should be underlying elements of NPM with the implementation of the WWB. NPM is subjected to criticism which makes it mandatory to evaluate the worth of NPM nowadays in the public sector. Elaborating on the literature review, it is the assumption that NPM influences will be present with the decentralization of social legislation. Especially since decentralization is deployed to enhance the efficiency and effectiveness of the state and the freedom and responsibility for local governments are key in decentralization according to the administrative agreement 2011-2015.

4.2.1. Implementation

The position of NPM in the contemporary governance is among others determined by analyzing how the local government design and implementation of the WWB. This subparagraph analyzes the extent of market components that are involved with the implementation of decentralization since it is a crucial part of NPM. As analyzed in the previous paragraph, the decentralization agreement: 'collaboration' is complied to. This implicates that the market components are present in the implementation of decentralization since the collaboration is not restricted to merely public actors. So, this makes local governments enabled to seek collaboration with other partners ensuring that decentralization is not merely a public affair.

According to the administrative agreement 2011-2015, the central government is decentralizing policies to enhance the efficiency and effectiveness of the state. The municipalities have the freedom and responsibility to give substance to the WWB as long as it is within the limits of the law. It is disputable whether or not local governments receive enough freedom and responsibility as displayed by the central government. This is because the study has shown that the agreements of policy discretion and reducing vertical control is not obtained. However, the condition that is maintained, collaboration, is utilized in order to achieve the WWB objectives. So, the local governments collaborate with other non- and semi public actors illustrating that decentralization is an affair of public and private partners. Non- and semi public actors are involved in achieving the WWB objectives. This responds to the indication of Maat (2003), Miller and Dunn (2006) and Pollitt and Bouckaert (2011), that a principle of NPM is to allow the market to acquire a significant share in the provision of services and involve other actors in the public task performance besides the government. With the WWB, the collaboration with other actors is to enhance outflow, limit inflow and prevent fraud of WWB beneficiaries. Non- and semi-public actors are enabled to work together with the local government to enhance efficiency of the state by achieving these objectives. Local governments seek collaboration with other actors to provide

among others: *'volunteer work for beneficiaries to get them accustomed to work rhythm, to prevent fraud of the WWB legislation and to help people to become self-sufficient in a financial aspect'* EN02 discloses. Local governments collaborate with graduation schools for professional development. Also, local governments collaborate with schools, and reintegration organizations. So, there is definitely a market influence when it comes to carrying out the WWB. Local governments utilize market tools and private organizations to achieve their objectives.

However, Kettl (2005) indicates that NPM is characterized by market elements that eliminates the traditional way of working that is perceived as rule-based and authority-driven. Looking at the WWB, the traditional way of working overrule the market elements whereby NPM is placed at the background. This is because the strict regulations and control of the central government overrules the market elements. Respondents even indicate that they notice a centralization of policies due to the lack of policy discretion and vertical control. Regarding the market aspect of NPM it can be stated that there are certainly NPM influences present, however they do not overrule the central government's framed decision making and implementation process.

The criticism of NPM is that there are major differences between the private and public sector, making an efficient collaboration between these type of actors infeasible, inefficient and ineffective. The lower authorities of government do not respond to this statement. Local governments work with the private sector since they can provide other tools to get people back to work. HE07 discloses that *'the collaboration partners are useful, and necessary partners to help [the local government] meet their objectives'*. It is evident that every organization has its own interests. Therefore, local governments are creating good conditions and ground rules whereby the public and private sector can work together efficient and effectively in achieving the objectives of the WWB. The local governments indicate that they work with a wage subsidy to meet the needs of the private sector in order to get people back to work and achieving the objective 'work before income' and 'every form of labour is appropriate'. AL09 indicates that with wage subsidy the private sector is compensated in providing a workplace for people that are in the WWB by e.g. employment disability. This is in contrary to the statements of van Helden and Jansen (2003) and Smit and Thiel (2002). They indicate that the differences of interests causes a barrier for these two type of actors to collaborate. The assumption is that collaborating with the private sector will expose the service provision of the local government to commercial interests and activities without governmental managing that comes at the expense of societal interests. The theories of these authors is proven wrong with the WWB, since there is a balance provided to acquired the needs of the public- and private sector so that every party gains an advantage of the collaboration. This is consistent with Alford and Hughes (2008) that indicate that NPM argues for cooperation between organizations to achieve the best outcome. Cooperation is achieved since the local governments are enabled to collaborate with whom they prefer to achieve the set objectives.

There is also a lot of question whether or not NPM is appropriate in all circumstances. The study has shown that in spite of certain limitations of decentralization – the lack of policy discretion and vertical control – NPM can have a good roll in enabling local governments to collaborate with private partners. At the lower level of authority, the differences of interests between the private and public sector can be

overcome. However, if NPM should be utilized at the level of the central government, the difference of interests can cause difficulties as van Helden and Jansen (2003) would indicate. However, how NPM relates at the higher level of authority is not examined since carrying out decentralization is a matter of local governing. No statements can be made about the role of NPM the central government. Pollitt and Bouckaert (2011) underline this argumentation. They indicate that Metcalfe and Richards define a micro- and a macro level public administration. At microlevel, the business methods and culture can be utilized and at macrolevel these methods and culture can not. As seen with the implementation of the WWB, the assumption of Metcalfe and Richards can be appropriate since the WWB is implemented at a microlevel. NPM elements, such as involving the market can relate to and complement the WWB implementation. Pollit and Bouckaert (2011) complement Metcalfe and Richards and suggest that it the suitability of NPM depends on the specific activity. It is depending on level (micro/marco), technical and political characteristics and on skill factor. It can not be concluded whether the suggestion of Pollit and Bouckaert (2011) is accurate since only the WWB has been researched. Up to so far the suggestion can be accurate since it builds on Metcalfe and Richards. A critique point is however that it is not clear what specific activity business methods are appropriate for NPM and that activities are not. I would assume that NPM is appropriate to shape every decentralization since NPM focuses on increasing efficiency and effectiveness of the state and it pays attention to the way of increasing these elements. At a macro level, I believe that NPM and the central government do not go together since the central government should merely focus on the interests of society and should not compensate or try to find a balance with the private sector. This is because it is the tasks of the central government to protect its citizens without having a hidden agenda. If the central government can not be trusted, good governance can not be achieved.

The pitfall of NPM can that it focuses too much on efficiency, thus cost reduction (Petruscu, Popescu, Barbu & Dinescu, 2010). This could lead to policies with short-term effects undermining long term perspective domains because short-term policies are often cheaper. This is in consensus of the view of the local governments. Virtually all respondents indicate that the central governments create short-term policy not looking at the continued – social – effect of the created policies. EN03 and HE05 indicate that it is '*due to the political character of the legislation*'. However, this comes at the expense of the quality and effectiveness of legislation. However, the central government specifically transfers tasks to the local governments that can be shaped with short-term policies since these policies are subjected to the changing demands of the people. As Pollit and Bouckaert (2011) would say, society influences the political decision making which is manifested in the policies and legislation. If the WWB was subjected to long term perspectives, the influence and dynamic of society would not be taken into account.

4.2.2. Managerialization of public services

The objective of this subparagraph is to determine if managerialistic influences are present with the implementation of the WWB since NPM is characterized besides the market components, also by managerialistic influences. The managerialization of public services delivery is based on the

management of improvement, restructuring the organization and moving from hierarchy and control to innovation and support (Clarke, Cochrane & McLaughlin, 1994, p.14; van de Maat, 2003).

The respondents of the local governments indicate that the essence of decentralization is to provide customization by tailoring policies and to create innovative polities to enhance efficiency and effectiveness. However, in the previous paragraph discussing policy freedom, it appears that local governments lack these possibilities. Especially EN03 indicates a centralization of policies, allowing *'the central government to slip back in a traditional state administration'* characterized by hierarchy and control. D110 indicates that there is a lot of control by the central government and that local governments have a lot of paperwork and face bureaucracy with the implementation of the WWB. The managerialization of public services like Clarke, Cochrane & McLaughlin (1994) and van de Maat (2003) indicate is due to the lack of policy freedom and government control, far-fetched since the essence of managerialization is absence. With collaboration, the decentralization agreement that is obtained, the elements of managerializations are obtained. The local governments receive freedom to collaborate with various actors. Till now, this collaboration is voluntarily and not obliged which is enabling innovation to cope with the dynamics of society. However, if the central government carry on their plans to merge municipalities, the voluntarily collaboration which enhances innovation and enables governments to deal with the dynamic of society is lost. So, the NPM characteristic of managerialization is only obtained with the achieved decentralization agreement. With the other agreements, the characteristic is not present. This can however be explained by the fact that the two unachieved agreements are inefficient decentralizations disabling the NPM principle by inefficiency. In the overall, looking at the three decentralization agreements, it can be stated that local governments lack the possibility to innovate and improve since it can only be achieved with collaboration. It could carefully be argued that through the centralization of policies, the state may slowly fall back into the traditional state administration and that the characteristics of managerialistic NPM is not obtained. Since this study is limited to merely examining local governments with a financial deficit, it is difficult to state without a doubt that managerialization is lacking.

4.2.3. Outcome accountability

This subparagraph examines the accountability of local governments regarding the WWB. Van Helden and Jansen (2003) indicate that the basis of NPM lies in decreasing or removing the differences between the public and private sector. A way to achieve this, is to create a shift from process accountability towards the focus on results. The local governments are therefore studied by the means of accountability. Is the central government controlling the input, output or outcome of the local governments? If the WWB is reviewed by the central government with regard to the outcome, thus the finance of municipalities based on the outflow of WWB beneficiaries, the basis of NPM is present.

The central government will control municipalities not by the rules they set, but by the results they achieve. There is a focus on outcome instead of input and output since every beneficiary directly affects the municipal budget. Time and money, which represents the input, and the control of the provision of services that represents the output, are less pivotal in the decentralization.

Decentralization is associated with 'freedom and responsibility' to achieve the objectives of the administrative agreement 2011-2015. So the government will probably focus on the result, achieving the objective. The objective of the WWB is to enhance outflow, limit inflow and prevent fraud. That is the number of beneficiaries in a municipality. The (social) effects and results that are achieved with the decentralization, the outcome, have now become more central which illustrates the influence of NPM on decentralization. This shift in thinking from input to output, lies at the heart of NPM (van Helden & Jansen, 2008). The focus on outcome instead of the process displays the NPM spirit (Groot and Budding, 2005). Also the decrease of input and output refers to the NPM principle since municipalities have more autonomy because there should be fewer rules imposed by the government (Korsten, 2007).

The outcome is based on the standardized distribution model that sets the standard for the number of WWB beneficiaries that should be within a municipality. The central government holds local governments accountable when it comes to the financial aspect. If municipalities have a financial deficit, the central government steps in and verifies if the local governments have implemented the WWB legislation according to the law. This is because the financial deficit indicates that there are too many WWB beneficiaries in a local government. Finances are a way for the central government to evaluate whether or not the local government functions correctly and holds on to the WWB objectives. This illustrates the central government holding the local governments afterwards accountable on the basis of finance. This can however briefly be summarized the outcome control as reducing the costs of the social benefits. Petruscu, Popescu, Barbu and Dinescu (2010) and Hood and Dixon (2012) already realize this and state that the outcome often will be cost reduction which can come at the expense of efficiency. This is however in contrast to Hughes (2003) since the assumption is that NPM is outcome oriented and focused on efficiency, which is also consistent with the way the WWB is performed. According to all respondents, the municipalities are held accountable for the outcome. The consequences the central government connects to the financial deficit is that the local governments can be deprived from the supplementary budget if they do not comply to the legislation. The overall assumption is that if there is a deficit, the local governments have not carried out the WWB correctly. This indicates that there are definitely NPM elements regarding the focus on outcome and that the warnings of Petruscu, Popescu, Barbu & Dinescu (2010) and Hood and Dixon (2012) should be taken into account since the apparent thin line between focus on efficiency and cost reduction. These two elements stimulate each other but they can also counteract.

According to AL08, these local governments should then create an improvement plan referring to how to obtain the WWB objectives, that is to increase outflow, limit inflow of beneficiaries and preventing fraud. If there is no deficit, the local governments have carried out the legislation according to plan. Obliging the local governments to write a plan of action to increase efficiency and effectiveness is in agreement to the outcome accountability of NPM which is focused on efficiency. So, since local governments are reviewed based on their financial means, they are accountable for the outcome. This is in accordance with van Helden and Jansen (2003) that state that the focus lies on result. With this

information, it can be stated that NPM influences are present with regard to the output accountability since it is very much present with the decentralization of the WWB.

4.2.4. Conclusion

To analyze whether or not NPM is present, several individual NPM aspects were studied. The market- and managerialistic components and accountability form the basis of NPM that are now evaluated collectively in this conclusion. The suggestion in the literature review that NPM is present with the decentralization of the WWB, is endorsed. The focus lies on outcome instead of the process, which according to Groot and Budding (2005) displays the NPM spirit. Also the decrease in input control refers to the NPM principle since municipalities (should) have more autonomy because there are fewer rules imposed by the government (Korsten, 2007). There are market- and managerialization elements present with the achieved decentralization agreement which indicate NPM influences. To what extent NPM is present is not clear since the WWB is not an efficient and effective decentralization.

There are several of issues regarding NPM that need to be addressed. Since the decentralization agreements are not all achieved, NPM can not come to fruition since it is based on decentralization. Due to vertical control and a lack of policy discretion, a more traditional form of governance is detected allowing the perceived market elements relegating to the background. However, the market principles are present with the achieved decentralization agreement collaboration. Local governments collaborate with non- and semi public actors to achieve an efficient and effective governing. Regarding to the issue whether or not NPM can be utilized in all situations, it appears that at a microlevel the NPM principles can be more easily utilized than at a macrolevel. Since the public and private sector can overcome differences of interests by compensating or finding a balance. It is characterized by a give and take relationship since the needs of both parties are taken into account (referring to the wage subsidy to get employment disabled back to work). So with the WWB, the local governments are able to use the NPM principles. However at a macro level, I believe that the interests of the central government are not allowed to be compensated since the central government must provide good governance without a hidden agenda. Pollit and Bouckaert (2011) indicate that NPM can be utilized depending on the specific activity. However due to a lack of explanation, it is not clear how and to what circumstances the specific activities must comply to. Regarding the managerialization, the WWB lacks the possibility for local governments to innovate and improve policies due to the lack of policy discretion and vertical control. As also analyzed in the previous paragraph, local governments experience therefore hierarchy and control by the central government. But it is unclear to what extent it obstructs innovation and support. And again, with the achieved agreement collaboration, the managerialistic component is present since local governments receive the possibility to innovate due to a dynamic and voluntarily collaboration with various actors. However, the central government have plans to merge municipalities creating a forced collaboration disabling the dynamic and innovation of an alternating collaboration. If the central government carries on the plans to merge municipalities, the managerialistic component will also be reduced. Regarding the output accountability, the core elements of the administrative agreement 2011-2015 'freedom and responsibility' should allow the

local governments to be responsible for the input and output. So, the central government will control municipalities not so much by the rules they set, but by the results they achieve. The central government holds local governments accountable on the basis of finance. If there is a financial deficit, the local government has not carried out the WWB correctly. To achieve a good outcome, the objectives reducing the outflow of beneficiaries, limiting the inflow of beneficiaries and preventing fraud is controlled by the central government.

4.3. Implications of the WWB for forthcoming decentralizations like the WJZ

This paragraph will provide recommendations for forthcoming decentralization due to the analysis of the WWB. It appeared that there are certain flaws regarding the WWB, making this decentralization unsuccessful. These deficiencies can provide handles for upcoming decentralizations because the WWB was the first social legislation to be decentralized to the local governments. Since decentralization is a complex matter, there are a lot of interests to take in consideration. Tasks and responsibilities are transferred to local governments since they are closer to the citizens and can therefore tailor the needs of their citizens better than the central government. In the administrative agreement 2011-2015 several conditions are stated in order to make decentralization succeed. If decentralization is successful, a smaller, more powerful service provisioned government can be achieved.

4.3.1. Paradox

One of the deficiencies that allowed the decentralization agreements not to be complied, is the presence of a decentralization paradox. Paradoxes can occur in decentralization because there is an interdependency between the central- and local governments (Bannink & Ossewaarde, 2012). In the literature review it appeared that the WWB is a partial decentralization of resources which can evoke its own specific paradox. If a paradox occurs with the WWB, the upcoming decentralizations can learn for it.

Performance paradox

The WWB is implemented as a partial decentralization of resources. This mode evokes a performance paradox that also occurs with the WWB. The consequence of the partial decentralization of the WWB is that it evoked the predicted paradox according to Banning and Ossewaarde (2012) in the beginning of decentralization. The objective of the municipalities is to reduce the number of clients that are entitled to the WWB. Local governments do this by prioritizing the easier cases and getting them to work. By focusing merely on the easier cases, the municipalities did not provide the accurate reintegration and social integration methods for the more difficult clients. This led to a distorted image allowing a performance paradox to occur. Since the required performance of the local governments is more comprehensive than the produced performance (which leads to evoking a performance paradox), local governments adjusted their working method by letting the beneficiaries with a long distance to labor do volunteer work. However, most respondents of the local governments do admit, that they do not provide much effort in letting those people get back to work. EN03 indicates that most of these

people are difficult to guide and that they are '*practically depreciated of the labor market and that the investment is too high for no effect*'. It will only cost the local governments too much time and money, two aspects which local governments lack. So, the actual decentralization of the WWB is consistency to the theory of Bannink and Ossewaarde (2012). The paradox due to a partial decentralization can be prevented. If the central government completely decentralizes legislations without the possibility of holding them accountable, will prevent a paradox such as this to occur. However with the complete decentralization, the central government must have a lot of faith in the local governments if legislations are decentralized without any governmental interference. This solution does not go without any pitfalls because the complete decentralization will lead to more administrative burden for the local governments and no vertical control which can lead to corruption of the state (Argawal & Ribot, 2002; Treisman, 2002; Rose-Ackerman, 2008).

Comparing the occurred paradox of the WWB to an upcoming decentralization, namely the WJZ, the decentralization mode and paradox can not be verified. This is since the decentralization for the WJZ is still in its early stages. In the administrative agreement 2011-2015 it is indicated that the local governments will receive the responsibility for the total implementation of youth care. However, the policy is developed by the central government in collaboration with the VNG (Association for Dutch Municipalities). So, a total freedom for the local governments to develop policy is not achieved. The financial arrangement seems to be fairly similar to the WWB decentralization. The local governments receive a budget of the central government whereby the municipalities can not claim the expenses at the central government. They should work within the budget. So, according to the administrative agreement 2011-2015, it is likely that de partial decentralization of resources will be utilized and that the responsibilities the local governments bear will be the risk of policy failure and success. It is likely that this decentralization mode will evoke the paradox of performance. It is however not possible to analyze the occurrence of a paradox since the WJZ is not decentralized yet.

4.3.2. Public Management Reforms

This subparagraph provides insight into the organizational reforms of local governments associated with decentralization. These reforms can provide lessons for upcoming decentralization because the organizational structure of local governments regarding the WWB are not properly regulated. Reforms take place when legislation is decentralized to local governments. Local governments receive new and more tasks and responsibilities, allowing them to adjust their organization to deal with it. Legislation is transferred to the level of the municipalities so that the local governments can provide a better and more efficient service to their citizens. However, since decentralization of legislation is complex and very comprehensive, it is not without a struggle. Local governments need to reform their organization, and according to Pollit and Bouckaert (2011) there are several public management reforms that can take place in a local government. So, the reforms are evaluated that can provide recommendations for the forthcoming decentralizations such as the WJZ to function efficient and efficient.

Structural change

The structural reform indicates that there organizational changes applied to implement the WWB efficient and effective. According to Pollit and Bouckaert (2011) a structural change within the municipal organization refers to a new structure created within the local governments to deal with the increasing tasks and responsibilities. This is also the case with the WWB since decentralization of the WWB has impacted the local governments directly to a large extent. To deal with this, there is a department created to implement the WWB which is a part of the social domain of local governments which in turn is a part of the Ministry of Social Affairs of the central government. However, since the WWB was transferred to the local governments almost 10 years ago, EN01 indicates that there are not many employees that can remember how it was before decentralization of the WWB. Looking at the department of Social Affairs, there is a specialization of civil servants that are responsible for the WWB. These civil servants are not involved with the entire social domain since their focus is merely on the WWB. An advantage to this is that civil servants are specialized in the WWB however a major disadvantage is that they can not see the bigger picture of a coherent approach between all social legislations. With the forthcoming decentralization of the WJZ, the local governments receive as a single party control over virtually the entire social domain. The decentralizations makes it possible for local governments to cross correlations between the social legislations so the municipalities can function more efficient and effectively. So, it is safe to say that local governments implement structural changes to deal with the transfer of tasks and responsibilities. However, the WWB civil servants are may be a little too much single-purpose and have a tight focus of the WWB allowing them not to see the bigger picture. As Pollit and Bouckaert (2011) would indicate, which is in agreement with the statement of this report, civil servants should be more multi-purposed and therefore have a more broader scope to enhance a coherent approach among the social legislations. It will allow the local governments to bundle their power to create an efficient social domain instead of an efficient WWB. However to realize this, local governments must have policy discretion. Due to the lack of discretion, a coherent approach is not feasible. The single scope illustrates the coordination of the WWB to be top-down enforced in a traditional hierarchy and it is incrementally passed down the line of authorities. So, a recommendation for the upcoming decentralizations can be that moving from a single purpose to a multi purposed approach by providing policy discretion which should help achieve the objective of social legislation to help the weaker people of society. This coherent approach is necessary to create a more efficient and effective performance since an integration of the entire range of social legislation could help local governments to cope with the lack of financial means.

Process change

The process change reform is also utilized to achieve an efficient and effective outcome to certain procedures of the WWB. The study has shown that this reform is not that well implemented. Due to the lack of sufficient budget, the local governments need to slim down in the workforce, making them do more work with less money and fewer people. HE07 indicates that e-services are also introduced to cope with the financial deficit in order to save money and provide standardized service when possible. Due to the many changes applied to the legislation, the work process is affected making the work systems and e-services not always ready in time. The respondents complain about the poor task

allocation e.g. the automation system that is due to the top down trajectory. The task allocation can not be implemented properly since the legal dimension of changes are top down implemented to the local governments allowing systems not to be ready. So, the changes towards the legislation is already introduced without the local governments having the time to implement these changes to the beneficiaries. HE07 indicates that *'to deal with this automation problem, the client manager must improvise leading to a non-uniform method'*. These problems refer to the process change according to Pollit and Bouckaert (2011) due to the lack of policy discretion for the local governments. They indicate that the procedural trajectory of task allocation is related to the top-down procedure which also appears in practice with the WWB. The task allocation trajectory refers to creating new or redesigning automation systems which HE04 indicates is frequently happening. And due to the top down trajectory that corresponds to the central government applying changes to the legislation, the task allocation is not always implemented on time and correctly. The changes initiated by the central government are often implemented in a traditional authorial way. There are also often frequently applied changes with little input of local governments. This coincides with the legal dimension, meaning that the central government sometimes 'barges ahead, trampling the local governments' as Pollit & Bouckaert (2011) would indicate. So in practice, these two trajectories are related but are not well aligned with each other. A recommendation for upcoming decentralizations can be that by providing the local governments with more time to implement changes to the legislation, the reform of process change should be enhanced. Also including the local governments in the decision making process would enhance the legal dimension and create a bottom-up approach which influences the task allocation positively. These recommendations refer to the decentralization agreement that is not complied to, namely policy discretion. So, an even better recommendation would be that the central government should support the condition of policy discretion.

Management reforms

Local governments indicate that they not have sufficient manpower to deal with the increasing tasks and responsibility. Local governments want to recruit and train their people, but they indicate that due to a lack of financial means the municipalities can not recruit new personnel. Even worse, the local governments need to slim down in personnel because they need to same money due to the budgetary cut backs. When asked local governments about the training and rewarding of personnel, they indicate that it was inapplicable and that training was not necessary since there is a good information flow of the central government. A rewarding system is not in place since the civil servants work in name of the state. The managing of employees to accomplish the objectives is by creating a clear objective and work procedure. However, since there are a lot of changes within the WWB, local governments are not always able to provide a clear working method. So, the way the local governments involve their personnel to accomplish the goals that are set according to the trajectories of Pollit and Bouckaert (2007) is rather unclear. There were however no respondents of the personnel affairs examined. This can cause the lack of clarity how local governments manage their personnel. However, a remark that can be placed is that if the civil servants can not disclose the way there are managed to achieved the set objectives, the trajectories – if they actually are present – are also unclear for the employees

making it highly likable that the management is not effective. Since the management reform is not utilized with the WWB and due to a lack of studying this reform, no recommendations for the upcoming decentralizations will be made.

4.3.3. Conclusion regarding the lessons for the WJZ

The objective of this paragraph is to provide recommendations for the WJZ by analyzing the deficiencies of the WWB. It appears that there is much to learn of the WWB since there are shortcomings evoking a paradox and regarding the public management reforms. However, these deficiencies all seem to appear due to the absence of the two decentralization agreements that are not complied to; policy discretion and a decrease of vertical control.

A recommendation for the WJZ is formed due to the WWB paradox that occurred. This is because it is likely that the decentralization of the WJZ will be implemented by the same partial decentralization of resources. For every partial decentralization of resources it is important to reduce the inflow of beneficiaries and to promote outflow since the responsibility of accountability lays with the municipality. This means, the more beneficiaries, the bigger the financial burden for the municipalities (Divosa, 2005). A consequence of this partial decentralization is that it is likely that the WJZ will evoke a performance paradox, just like what happened with WWB legislation. This paradox can be circumvented by holding on to the decentralization agreement. The lack of policy discretion and vertical control contribute to the paradox since the local governments are rewarded if they stick to the conditions as created by the central government. With regard to the public management reforms, there are some improvements that can be made to implement the decentralized tasks and responsibility better for forthcoming decentralizations as the WJZ. The decentralized legislations can be more efficient and effective carried out by the local governments if they have a coherent and integral approach. The local governments have as a single party control over virtually the entire social domain. The decentralizations makes it possible for local governments to cross correlations between the social legislations so the municipalities can function more efficient and effectively. However, the absence that is present among virtually all respondents to perceive the possibility for a coherent approach, can lead to organizational inefficiencies. This perception is detected due to a lack of policy discretion. If local governments have the possibility to adjust the policies of the legislation, the possibility for a coherent approach would be more present. This absence allow local governments not to function as a whole and lacks the possibility to provide cross correlations between the social legislations. So, changing the approach of local governments to a more multi-purposed instead of a single-purposed view should create a better organizational change to cope with the increasing tasks and responsibilities. Also, providing the local governments more time to get the automation system ready and by not imposing unilateral changes to the legislation should let the local governments efficiently and effectively implement the changes to the legislation. These recommendations refer to the decentralization agreements that should be obtained. If the central government enhances policy discretion and reduces vertical control, these recommendations can be realized. Since the study has not shown that the management reform is used to involve the personnel of an organization to accomplish the goals

that are set. Due to a lack of financial means the local government does not have the money to recruit new personnel. There is also no training and a reward system in place to obtain the set objectives.

Chapter 5. Conclusion

The central question to obtain knowledge about how to make decentralization successful, is formulated as follows: 'To what extent is compliance of the coherent decentralization agreements based on the administrative agreement 2011-2015 necessary to make decentralization succeed, and to what extent is it based on NPM influences and practices?' To answer this question, several sub questions are formulated regarding the decentralization agreements, NPM and lessons based on shortcomings of the current way of decentralizing by the central government. With the help of respondents and policy documents, the sub questions were answered in the analysis.

Building on the research, it appears that decentralization is not likely to succeed since the decentralizations are not obtained as a collective. One individual decentralization agreement; collaboration, is obtained. Local authorities only have the possibility to seek collaboration with other authorities, citizens and civil society organizations in order to implement the new tasks and carry out - to a certain extent – integral and coherent policies. This single agreement is not enough to make decentralization work since the decentralization agreements as a collective form a condition for decentralization to succeed. Local authorities do not perceive policy discretion and vertical control is not reduced. Policy discretion is not perceived due to the governmental interference the central government exerts. By frequently applying (impracticable) unilateral changes to the legislation and by not examining the continued effect, WWB lacks efficiency and effectiveness. This represents a poor relationship between the central- and local government since a good relationship would imply a dialogue between the actors to create a better relationship. A good relationship would result in decentralization becoming more efficient and effective. And due to the lack of financial resources the local governments have not much room than to comply to the conditions and rules stated by the central government. Thus, certainly for the local governments with a financial deficit it is necessary to carry out the WWB by the letter of the law. So, by creating a framed legislation and exerting financial control, local governments do not experience much policy discretion and experience interference of the central government.

The accountability associated with decentralization has turned over to vertical control, leading to a reduction of freedom for municipalities to carry out the WWB properly. The manner in which accountability takes form coincides with compliance. The compliance issue appears to be very strict since the local governments need to comply to the rules and regulations opposed by the central government. This makes the local governments accountable for their actions. However due to – among others – the strict accountability, the local governments way of working lacks efficiency and effectiveness resulting in one of the main objectives of decentralization not to be achieved, namely customization. Local governments are due to the (enhanced) vertical control not able to provide a better tailored to the needs policy for their citizens. If there is no compliance by the local governments, (financial) penalties will take place. And since local governments can not afford any penalties, they will stick to the very specified and mandatory procedures and methods are. So, instead of being more responsive and focusing on the needs of the citizens, the local governments are trying to keep their

heads above water by complying to the rules and regulations. The focus lies too much on achieving the created targets that the actual objective is out of sight. This leads to a focus on compliance instead of a focus on efficiency, as Darling-Hammond, (1986) indicated.

Taking the results of the study into account, it appears that the general objective of the Dutch government 'becoming a small, more vigorously, and public service delivered government' is not likely to be obtained since the premise is not achieved. The premise is that if decentralization is carried out properly, the government as a whole can function stronger and more compact. And decentralization can only be successful if the coherent decentralization agreements are designed and implemented correctly, which is not the case. However since there are more roads that lead to Rome, the general objective of the Dutch government can be obtained by the standardized procedures and electronic working methods the central government opposes. The objective can be obtained, not by decentralizing efficiently and effectively, but by reorganizing the state structure and creating uniform and standardized methods. However, the efficiency for the long run is questionable because taking care of the interests of the citizens will be difficult since customization is out of the question. Taking this into consideration results in the premises of this thesis 'that successful decentralization is necessary to become a more efficient and effective government' is not completely correct. The central government can achieve their objective by standardizing procedures and methods instead of merely following the rules of decentralization. Standardizing procedures is a form of cost reduction and leads to a reduction of customization. By focusing on cost-reduction instead of efficiency, which is the pitfall of NPM, the central government is able to reduce the government spending and get the government finance in order. So, in this case the pitfall coincides with the objective of the Dutch government since the aim is to save money. Placing the results of this study in reference to NPM allows NPM to be validated as a relevant management approach. This is because NPM practices are present with the obtained decentralization agreement, namely collaboration. The other agreements lack NPM influences because there is no decentralization regarding policy discretion and vertical control. Besides the NPM practices, there is a focus on outcome which is equal to cost reduction. This illustrates however the pitfall of NPM in practice since cost reduction creates a short term effect but in the long run it will be at the expense of the citizens as Halverson (2003) would state. So, NPM influences and practices are certainly present. However, it is rather difficult to indicate to what extent since decentralization and NPM are in practice very complex and comprehensive. There are some improvements at policy- and organizational level to make regarding the efficiency and effectiveness of decentralization which results as an instrument of the NPM approach.

However, nothing is what it seems. Taking a critical look at the study it seems that the actual objective of the government is not primarily to become a small, more vigorously, and public service delivered government, it is to restore the government finances and get the government finances in order. This study can be concluded with the statement of a wise man, a long time ago: 'the end justifies the means', as Machiavelli wrote in 'the prince' (1513), are apparently still lively as ever. In this situation, the means is not decentralization to primarily take care of the needs of citizens and become efficient and effective, - as is communicated in the administrative agreement 2011-2015 and many other policy

documents –.The actual means is to decentralize to reduce government spending by (according to this study: inefficiently) transferring tasks. Decentralization is implemented as a means to ultimately to save money first, and serve the people second. The ideology that decentralization is implemented to ultimately satisfy the interests of citizens does not appear to be the leitmotiv of the central government. It is one of the first sentences in the administrative agreement 2011-2015 that indicates the key issue, that is: restoring the government finances. All 57 pages that come after that are just a means to achieve the goal.

5.1. Discussion

It is easily to state that the central government lacks certain conditions and that it can be solved by complying to the decentralization agreements, since there are certain remarks to make about this study. One is that the central government is not examined. This neglects a vital part of the study how to make decentralization work. There can be certain reasons why two of the three decentralization agreements are not obtained. The possible reasons will be discussed later. The second remark is that only one social legislation is analyzed. And that of all social legislations, the WWB is seen as a exceptional legislation due to the strictness and the perception by society. This is because the WWB is seen as a final resort to help the people that are socially disadvantaged This legislation is accompanied by severe and exceptional rules. The third remark is that the study has limited its view merely to the decentralization agreements. The efficiency and effectiveness by the local governments about the actual performance is not analyzed since it is too comprehensive. So, it can possibly be that the local governments do not carry out the legislation properly, turning the central government to extreme measures whereby policy discretion is reduced and vertical control is enhanced. The fourth and final remark is that there are only local governments examined that face a financial deficit. Approximately 50% of the local governments face a deficit and it would benefit the study if at least one local government would be studied that has a surplus. With that information, it would become clear if the absence of the two decentralization agreements would be due to the financial deficit or not.

Continuing on the study, there are specific observations to make that can contribute to the premises to make decentralization successful.

Achieving a successful decentralization

Since two of the three decentralization agreements are not really obtained, the WWB is not efficient and effective in terms of decentralization. To increase efficiency and effectiveness of decentralization, the policy discretion and vertical control should be adjusted. This can be done by implementing the theory of Halverson (2003) and Allers and de Kam (2010) since it will improve the relationship between the central- and local government. Enhancing the of input the local government by letting citizens directly or indirectly through their local governments influence the legislation, like Halverson (2003) indicates, would also increase policy discretion. However, the theory of Halverson (2003) does not always apply in this context since the citizens have an indirect say regarding the legislation. This say is not at a local level but at a national level. The WWB is politically tinted, allowing the general view of society to be implemented in the way the legislation is shaped. So, when the local

governments indicate that they do not have much say, the question can be asked whose interests the local government is referring to since the general interest of society is represented at national level. The interests at a national level is however not the essence of decentralization since its aim is to minimize the interests and give a local interpretation based on the views of their citizens. So in that sense, the theory of Halverson (2003) should be complied to. By following Allers and de Kam (2010) innovation and customization will be stimulated since local governments will not have strict regulations opposed by the central government. This will decrease the centralization of policies that will contribute to a efficient and effective government. Also, providing local governments the initial possibility to create ordinances, like in the beginning years of the WWB, will decrease vertical control. However, this is also an assumption since it is not clear why the central government opposes these strict regulations and reduces the ordinances. Is it because these local governments do not handle according to the objectives or is there just not enough administrative capacity. This illustrates the theory of Allers and de Kam (2010) not always being applicable. Innovation and customization is the preference, however if local governments can not handle the tasks and responsibility, the central government should step in, as is indicated by Bannink and Ossewaarde (2012).

The study has shown that the WWB is a framed legislation. This contributes to the absence of one or two decentralization agreements. However, it can be stated that local governments are in need for a framed legislation and strict control due to the financial deficit the local governments induce. Since the view of the Ministry is not examined, it is difficult to say that the vertical control is a shortcoming by the central government or the local governments. The framed legislation ensures customization only to a limited extent. People who require special attention due to multi problems or occupationally do not receive the customization they need. There is however a consistency of other social policies the local government is responsible for, which makes the local governments to solve problems better. So, the lack of customization of the WWB can be complemented by other – social – legislations. With the possibility to provide a coherent approach, the objectives of the WWB can be achieved while the people who need the customization do not need to suffer. This explanation complements Allers and de Kam (2010) since an integral- and coherent approach will enhance the opportunity to utilize various solutions for social issues.

The essence of the vertical control and the lack of policy discretion is experienced by the lack of financial means. It would benefit the decentralization if the respondents would receive the financial means they are entitled to. The local government will then have sufficient resources to carry out policy and the central government will keep less control over the municipalities. HE04 indicates that this is done *'by adding the supplementary budget to the normal budget'* since *'the supplementary budget is basically an illusion since it is similar to helping ourselves to one of our own cigars'*. However, there is a comment to make about this 'solution'. If the complete budget is transferred to the level of the local governments, the changes are too big that the local government will face the same deficit that they do now. This is because the local governments spend to their ability. The financial deficit can mean two

things, one is that the local government is not implementing the tasks efficient and effectively whereby the central government needs to step in and reduce these two agreements.

In conclusion

The study illustrates that an individual decentralized social legislation would not contribute as much to decentralization itself and the general objective of the Dutch government. The decentralization of the entire social domain on the other hand, will possibly contribute to the success of decentralization, and therefore the general objective of the Dutch government. With the decentralization of the entire social domain, the local governments will be more able to provide an integral approach, allowing the beneficiaries to receive a better care. It is likely that the decentralization agreements will be complied to since the WWB is an exception of most legislations. However, since the decentralization of the various social legislations are not studied, this claim not to be stated with certainty.

5.2. Practical implications

Local governments are having a difficult time to carry out the decentralized tasks efficient and effectively by the ideology of decentralization. Since the central government makes decentralization a matter of compliance instead of efficiency, the local governments are not responsive due to the strict rules and regulations. The standardized methods (due to e.g. financial deficit and lack of administrative power) also counter the essence of decentralization. However like mentioned before, it appears not to be the purpose of the central government to decentralize successfully. It appears that the main focus lies on restoring government finances. A practical implication is that the focus on cost efficiency can lead to not focusing on the objective of the decentralized legislation but on saving money. This cost efficiency does however enhance the general objective of the central government: to get the government finances in order by decentralizing policies. These implications are all short term and will probably not be efficient for the long run since – in all likelihood – it will affect the confidence the citizens have in the state. An unresponsive government will enhance the feeling of discontent and will lead to inefficient governance instead of good governance (Halverson, 2003). In order to create long term solutions, decentralization is a good option. If the three decentralizations are achieved, the compliance issue, distrust issue, unresponsiveness issue and short term issue will be intercepted. If policy discretion and a reduction of vertical control is added, the local governments can determine for their own matter the extent of customization and will be able to adapt to the needs to their citizens creating a good governance. To comply to the decentralization agreements in order to make decentralization itself succeed, there are several options the local government can change: becoming multi purposed and merging municipalities. Both options will be discussed in the following.

Implications at organizational level: Integral approach

It is concluded that a coherent- and integral approach would benefit the efficiency and effectiveness of decentralization, especially if practically the entire social domain will be in hands of the local governments. This means that the professionals of the local government should expand their knowledge and not merely focus on the WWB. The local governments should be multi purposed since

they are able to provide a mixture of various social legislation since it is practically all in hands of the local government. Having 'control' over almost all social legislations, the central government could be able to provide a more efficient and effective legislation since a integral approach would be possible. This is consistent with the management reforms associated with the reforms in the public sector. Local governments have WWB specialists, that are the professionals executing the WWB. But since it is the objective of the central government to transfer more social legislations to the local governments, the local governments should combine the specialists with generalists of social legislation. The study has shown that that the WWB beneficiaries often have multi-problems which means that there are frequently other issues involved regarding the social domain. It would therefore benefit the local governments to train people all round regarding the social domain to provide a coherent- and integral approach.

The recommendation of becoming more multi purposed instead of single purposed is associated with more policy discretion that the local governments should receive. Gaining more policy discretion would enable local governments to be more involved with the social domain and would allow them to combine legislations. Therefore, the central government should reduce their control and not oppose strict regulations since it will not benefit the possibility for a coherent- and integral approach. The multi-purposed approach is however accompanied by a larger administrative power. Since local governments are enabled to collaborate with other non- or semi public actors to gain resources that are not at their immediate disposal, the local government can expand their administrative power. Local governments also collaborate with other local governments to handle their new tasks and responsibilities. This collaboration benefits the multi purposed approach. It however also embarks another issue which will be discussed in the following, that is merging municipalities.

Implications at policy level: Reorganizing the municipal structure

The decentralization agreement that local governments should be enabled to collaborate with other partners is an agreement that is maintained. In fact, the central government aims to merge municipalities to 100.000+ residents to handle the administrative pressure that is accompanied by decentralization by stimulating efficiency, effectiveness and innovation. These intentions of the national politics raise a lot of insurrection of local governments since they do not want to merge. It appears that the local governments wants to collaborate, besides the non- or semi public actors, on a voluntarily basis with other local governments. Local governments indicate that the current way of working, by having noncommittal collaborations is necessary to ensure the dynamic of society and enhance innovation. This will create more administrative power and it will allow local governments to be more responsive and counter centralization. Consultancy firm Leeuwendaal calls this, administrative cooperation. The premise of local governments is that forcing local governments to have an administrative cooperation will not enhance efficient and effective performance. Merging municipalities to 100.000+ residents will enable centralization of the decentralized legislation, will create more distance to their citizens and will be more expensive for the local governments.

The University of Groningen (RUG) has studied municipal mergers and indicates that merging municipalities will cost more than it will generate. The RUG discloses that there are indications that municipalities structural need more money after the merger of local governments (Allers and Geertsema, 2012). It also appears that some municipal services function most effectively at a level far below the 100,000 inhabitants is (White and De Groot, 2012). However, a more recent study by consultancy firm Leeuwendaal about municipal merges and collaborations has showed that merging municipalities is more efficient and effective than administrative cooperation. This is in contrast to the statements of the RUG. The consultancy firm states that the administrative power has improved under the merged municipalities and there are cost savings. By scaling the municipalities, the local governments will receive a fortified position which will improve the policy discretion since local governments will be a better interlocutor to the province and they can easily acquire managerial positions in committees like the VNG. Merged municipalities will also reduce the distance to the citizen since merging provides the opportunity to realize a professional district and village-oriented mode of service. With administrative cooperation the collaboration is less efficient and effective since there are large differences in profile and vision of the local governments. So, consultancy firm Leeuwendaal indicates that the conclusions of the RUG, that reclassification will only lead to more expensive organizations, is premature (Hiemstra, Camfferman, Wilbrink, 2013).

So, the two studies about the same issue have different conclusions. It can be stated that there is ambiguity regarding the merger of local governments. The only addition that can be made is that despite the conclusion of consultancy firm Leeuwendaal, there will be friction with the local governments since local governments do not want to merge. The study of this report has also shown that the respondents indicate that merging municipalities will not benefit the local governments. However, it can be disputed to what extent these remarks are objective. Merging municipalities will be accompanied with the loss of jobs and a change in working method. Especially in the current times, the economic crisis and a shortage of labor all can contribute to the resistance of not wanting to merge and create a coherent policies regarding the social affairs. Fear of the unknown associated with the possibility of losing their jobs can be the main reason for local governments not wanting to merge. An advice would be to actually study the effects of voluntarily cooperation and to evaluate whether or not it actually stimulates innovation with the result of an increased customization and responsiveness. Only then, the tradeoff can be made between whether or not to merge.

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Appendix 1. Topic list

Organizational structure

1. Principle of the WWB
2. Handling new tasks and responsibilities
3. Major pitfalls or obstacles of the implementation of the WWB.
4. Decentralization in other municipalities. (uniform approach?)

Policy level

5. Policy development of the WWB.
6. Possibility for independently implement policies.
7. Relationship central and local government

Rules and regulations

8. Strict or loose rules and regulations. (Do you set your own rules as executive body)

Influences and resources

9. Political- and societal changes
10. Sufficient resources. (are municipalities well equipped, are there sufficient resources, like financial resources, material resources like space, knowledge and skills).

Collaboration

11. What type of actors