Towards a networked-administrative system in the EU?

The case of the Danish IT and Telecom Agency

By

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Abstract

With the continuous expansion of the European project in both dept and width the administrative dimension of integration has gained increased attention. An example is the networked-administrative system, where patterns of conflict and cooperation might cut across national borders and thus partly replace territorial lines of division with functional and sectoral lines. This paper analyses how the Danish IT and Telecom Agency has acted in preparation and implementation of the New Regulatory Framework for Telecommunication in the EU. The purpose is to explore the possible establishment of a networked- administrative system where national regulatory authorities serve both the national government and the EU Commission in a 'double-hatted' manner. Does this also happen in a country that is known for having a strong hierarchical state tradition, one of the best developed coordination structures for handling EU affairs and in addition being reluctant to profound European integration?

1. Introduction

Administration policy has traditionally been linked to the nation-state as symbol of its autonomy and sovereignty. However, an interesting development has taken place in line with the expansion and widening of the European project. Even though the EU system retains a legally limited influence on administration policy in the nation-states, an evolving standardization of administration and implementation processes and practices across the member states can be observed (Olsen 2002; Sverdrup 2003).

Studies show that EU institutions have developed an increased interest in administration and implementation activities over the last years (Sverdrup 2003). The expansion of policy areas adopted by the EU level has caused a considerable increase in the tasks of EU institutions, especially in the EU Commission. As a consequence the need for convergent implementation practice has also been strengthened. However, this development has not been matched by a transfer of administrative resources and competences to the EU level. On the contrary, nation-states have been remarkably unwilling to let go such instruments, resulting in an overload of work at the EU level (Majone 2000).

Attempts to enhance the efficiency of Brussels have led to new institutional arrangements edified around the administrative missions of the EU Commission. "Agencification" at EU level is an example of this development, by which partly independent agencies assist the Commission in administrative matters without formally adding to its competences and manpower. Decentralizing some of the Commission's tasks to the national administrative level is another option supporting the idea of a "community administration" where (parts of) national bureaucracies are integrated in EU administration. An example is the development of a *networked-administrative system*, where semi-autonomous national regulatory authorities act double-hatted in serving (i) the national government as part of the national bureaucracy and (ii) the EU Commission as part of the community administration (Egeberg 2004a:24; Kadelbach 2002:175). Such systems build upon contemporary decentralization initiatives in many nation-states whereby semi-autonomous authorities are delegated regulatory tasks from ministries. Arguably, the changing role distribution indicates a significant change of both EU and national implementation policy (Nørgård 2004). With national regulatory authorities directly linked to the EU level, the establishment of a multi-level community administration becomes a feasible outcome.

In this paper I will present developments in EU telecommunication policy based on a case study of the Danish IT and Telecom Agency (ITTA). Focus of the case study is the preparation and implementation of a New Regulatory Framework for Telecommunication in the EU. The purpose is twofold: First, to explore the extent to which a transnational networked-administrative system might be able to incorporate parts of a state apparatus that has been seen as one of the best coordinated within the Union (i.e. the Danish one) - second, to explain and seek to understand the establishment of such a transnational system.

2. How to identify a networked-administrative system

In order to explore the perceived development of a networked-administrative system, a few definitions are necessary.

Networked-administrative system

A network can be defined as relatively stable, independent, non-hierarchical relations between actors that share the interest of a policy field (Börzel 1998:254). Arguably, the character and state of relations between these actors are of special relevance. By analyzing patterns of co-operation and conflict it is possible to shed light on actor relations at several levels. Crucial to the existence of a networked-administrative system in the EU are inter-institutional patterns of conflict and co-operation cutting across traditional territorial lines. Thus, cleavages follow functional or institutional logics in addition to the territorial one.

To identify patterns of conflict and co-operation between the Danish IT and Telecom Agency and other actors, the following variables will be analyzed:

Tasks of the IT and Telecom Agency in preparation and implementation of the new regulatory package. To indicate the existence of a networked-administrative system, the study must show that the regulatory agency has two principals by serving both the Ministry of Science and the Commission.

Role, identity and interests of the IT and Telecom Agency when participating in different settings. Studies show that officials participating in trans-national activities over time start identifying with the group as well as with other participants (Egeberg 1999) Furthermore, studies indicate that

officials often play contrasting roles depending on the institutional characteristics. In this study it is interesting to explore if actors from the IT and Telecom Agency are characterized by multiple roles, identities and interests. If the analysis shows a co-existence of (i) national and (ii) European identities and interests - and a set of differentiated roles - it will support the thesis of a networked-administrative system linking the EU and national levels.

Interaction between the IT and Telecom Agency and different actors. Both vertical coordination in the national administration and horizontal coordination with other regulatory agencies are explored. Furthermore, interaction with supra-national institutions as the Commission and the Council is studied. Changing patterns of interaction generally reflect an increasing international co-operation and are not in isolation evidence of a networked-administrative system. Thus, changing patterns of interaction must be seen in relation to multiple roles, identities and interests to indicate the development of a networked-administrative system.

The following variables are expected to influence the development of a network-administrative system.

Institutional structure of the EU

An advanced division of labour and competences between the Commission, Council, Parliament and Court characterizes the institutional structure of the EU system. This differentiation fosters a complexity of behavioural patterns; with different organizational structures and purposes, each institution inspires different patterns of conflict and co-operation. Interaction between the actors is a source of multiple cleavages, either coinciding with or cutting across national boundaries.

Organizational structure in the national administration

A high degree of vertical specialization in the central administration provides the ground for relatively autonomous agencies. Such agencies are characterized by discretion in decision-making, hence little subordination to their central ministry. Furthermore, physical distance between the agencies and ministries will emphasize their relative independence.

The study conducted is an exploratory case study. Using a variety of data sources such as semi-structured personal interviews, legal and official EU documents and national policy documents, the analysis draws on both primary and secondary sources[1].

3. Theorizing the development of a networked-administrative system

Several theoretical perspectives could be of relevance to explain the development of a networked-administrative system. The theoretical framework of this paper draws on three perspectives with differing perceptions of the development of a European political order.

From an *intergovernmental perspective* EU integration reflects the will of national leaders, as these are considered the dominant actors in the European policy process. Thus, member-states act as *coherent* unites led and coordinated by national governments (Moravscik 1998). When acting in the EU arena, national governments perform with predefined preferences formulated at the national level. Without any direct channel of representation, sub-national actors as well as the variety of non-governmental actors are deemed to go through the national government to get their interests represented at EU level. Following the intergovernmental approach, EU institutions are regarded as arenas for solving collective transaction problems among nation-states. Without any independent role beyond the authority delegated to them by the member states, the institutions act as instruments of the national governments (Moravcsik 1993).

In a *multi-level governance perspective* EU integration is characterized by interaction between multiple actors at multiple levels of governance, making integration a complex international as well as national phenomenon. The core argument of multi-level governance is that EU integration has led to a loss of competence for the nation-state while the competences at the supra-national EU level and sub-national, decentralized level have been strengthened (Marks et al. 1996). Integration has opened the possibilities for sub-national actors to act directly in the EU arena, bypassing national governments (Jeffery 2000:3). Without national governments as gate-keepers, sub-national actors may become partners in transnational networks. According to Jachtenfuchs (2001) it is the EU´s fragmented institutional structure as well as the absence of a strong power centre that have stimulated the variety of actors and the multiple channels of access. This environment works as a stimulus to the development of multi-level networks between actors.

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[1] Literature consulted for this article also includes the author's master thesis, submitted in 2004 (Nørgård 2004).

The key assumption of *the organizational perspective* is that organizational structure influences the behaviour of actors. In a European integration context this means that the organizational structure of EU institutions affects behaviour of the actors interacting within these institutions. As the EU institutions are characterized by various structures and organizational principles, a range of cleavages appear. The institutions may be structured in ways that underpin or challenge a state centric order (Egeberg 2004b). As an example, the Council is primarily organized according to territory like the classical intergovernmental organizations UN, OECD etc. In the various Council committees actors of the member-states represent first and foremost national interests. In contrast, the Commission is primarily organized according to non-territorial criteria, with actors representing sectional and functional interests in the different directorates general (DGs). The division of work between EU institutions such as the Commission and the Council provides for inter-institutional conflicts and multiple contact points for national governments. In this process the Commission may add to the complexity by searching "partners" within national administrations.

In addition to the institutional architecture at EU level, the national administrative structure is of relevance. The development of semi-autonomous regulatory authorities strengthens vertical specialization. Thus, regulatory authorities become more independent of the national political leadership (Egeberg 2003). Accordingly, regulatory authorities may have autonomy to serve both the national political system and the EU Commission in a double-hatted manner. An "unpacking" of institutions is necessary to expose the conditions for transformation of actors and political processes. A primary organization structure is the setting where actors spend most time and energy. National administrations typically constitute the primary structure of national officials. In a secondary structure actors interact, but without the same amount of energy as in the primary structure. However, such a structure also widens the frame of reference by adding new agendas, obligations and participants (Egeberg 2004b). A typical example of such a structure is the EU committee system.

4. Exploring the development of a networked-administrative system
In order to understand the policy context the IT and Telecom agency is operating in, it is necessary to describe the recent legislative changes in the telecommunication sector known as the New Regulatory Framework. In 1999 the Commission reviewed the existing telecommunication

legislation in the EU and initiated a set of directives to expand competition in the sector. On 7th March 2002 these directives were adopted by the EU Parliament and the Council and set to be implemented throughout the member-states by 1st of July 2003. The New Regulatory Framework contains four directives: The framework Directive (2002/21/EF) sets the main principles for regulation of electronic communications in the EU and specifies the tasks of the national regulatory authorities. The Universal Service Directive (2002/22/EF) lays down the rights of the consumers and the obligations of the industry. The purpose of the Access Directive (2002/19/EF) is to harmonize the rules of access and traffic between telecommunication suppliers in the EU. Finally, the Authorization Directive (2002/20/EF) simplifies the rules of telecommunication licenses. The New Regulatory Framework introduces several new decisions to the policy field, e.g. transforming the procedures of regulation. Whereas a market share over 25 % previously was considered an indicator of significant market power, this is now to be assessed individually by regulatory authorities based on market analysis. If a dominant market position is present, the regulatory authorities are authorized to enforce conditions of market competition. However, the national regulatory authorities are obliged to take utmost account to guidelines specified by the Commission (EU Commission 2002b).

Furthermore, the Framework introduces a notification procedure, whereby national regulatory authorities are obliged to notify other regulatory authorities as well as the Commission before implementing regulation. The feedback from these actors must be taken into account; formally, the Commission can veto an activity if it is thought to counter general objectives of the Community. Introduction of the notification procedure is obviously inspired by EU competition policy – a field which, however, has been comprehensively reformed through decentralizing enforcement to national authorities and courts (Støle 2004).

The revision of regulatory procedures has significant consequences for national regulatory authorities. As these are now in charge of market analysis, they are authorized to take decisions concerning market positions, obligations and remedies based on individual discretion. In several interviews it is emphasized that revision has increased the autonomy of the IT and Telecom Agency. At the same time the framework has decreased the opportunities to lay down specific national rules by the Ministry of Science (MS) (MS interview 25.02.2004; ITTA interview

25.02.2004). These observations support Dehousse in his arguments of a strengthening of *administrative* at the expense of *legislative* processes (2002:220).

4.1 The IT and Telecom Agency and the Commission

In general, the New Framework has intensified co-operation between the IT and Telecom Agency and the Commission. Given its special veto right, the Commission acts not just as a central partner in EU telecommunication but also as a principal to national regulatory authorities. The New Framework has increased the nation-level discretion of regulatory authorities yet subordinated them more directly to the Commission. Furthermore, the notification procedure gives the Commission a legal opportunity to interact in the implementation of policies.

As indicated by the pre-notification procedure, both formal and informal relations have expanded. The pre-notification procedure is an informal preparatory procedure, with national regulatory authorities presenting their notification drafts to the Commission. Thus the latter's comments are taken into consideration before the formal notification is produced, reducing the risk of a veto. Following intensified co-operation with the Commission, a change of attitude has appeared in the IT and Telecom Agency. Where the Agency was reluctant to interact with the Commission, maintaining the exclusiveness of national affairs, the attitude is now more relaxed and characterized by interpersonal relations (ITTA interview 25.02.2004).

Interestingly, interaction between the Commission and regulatory agencies has been quite limited in preparation of the New Framework. This fact separates the case dealt with here from previous studies in which the Commission is shown to be assisted by national expertise in preparation of legislative drafts (Egeberg et al. 2003). When preparing the telecommunication framework, the Commission has primarily made use of internal expertise and evaluations of previous legislation (ITTA interview 25.02.2003). However, the Commission has on several occasions consulted national regulatory authorities to get feedback on legislative implementation. This has indirectly given regulatory authorities a chance of input to the Framework preparation. An example of such input is the license free system, which was introduced in Denmark already in 1996 – thus giving the IT and Telecom Agency a chance to document that it might have an impact on Commission decision-making.

4.2 The IT and Telecom Agency and the Ministry of Science

As the IT and Telecom Agency has legal authority to act without instructions from the Ministry of Science, it can be defined as an independent authority. However, this independence only encompasses regulatory activities. In large parts of the general administrative work the IT and Telecom Agency assists the Ministry; furthermore they act as a central partner in the Ministry's EU activities. As prescribed by the formal coordination system in Denmark, legislative drafts from the Commission are discussed in special committees with participants from the IT and Telecom Agency, the Ministry of Science, telecommunication companies and consumer representatives. Furthermore, Danish positions presented in the Council negotiations are prepared in cooperation with the IT and Telecom Agency. As regards national implementation of EU directives[2], the IT and Telecom Agency has played a crucial role. Evidently, much of preparatory work has been characterized by close interplay between the IT and Telecom Agency and the Ministry of Science.

This national cooperation style is carried to activities at the EU level. However, as national experts in general are often invited to assist national delegations in Council working groups, the presence of the IT and Telecom Agency in the Danish delegation is not extraordinary. The ministry is rarely expected to possess detailed technical knowledge; hence such negotiations are often left to national expertise (MS interview 25.02.2004). However, the procedure of cooperation based on a common working document indicates that the IT and Telecom Agency is present not only when technical matters are negotiated but throughout the negotiation process. According to informants in the IT and Telecom Agency, a closely knit delegation - as well as its combination of technical and political skills - gives strategic advantages; the Danish delegation is considered to have a considerable influence in the Council working group (ITTA interview 25.02.2004). The Ministry of Science has also included the IT and Telecom Agency in the Communication Committee (CoCom) of national resort ministries. Thus, informants from both institutions take for granted that they share the same interests on the international scene. This case study shows that the IT and Telecom Agency is capable of separating its roles as (i) part of its resort ministry in the Council delegation group and

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[2] The main principle of governance in the European Union makes the EU level responsible for policy initiating and decision while the national-state level is in charge of policy implementation. This principle is known as the principle of shared competences and institutional autonomy (Sverdrup 2003)

(ii) independent authority in regulatory activities (ITTA interview 25.02.2004, MS interview 25.02.2004).

The IT and Telecom Agency's task as administrator of national legislation raises the question of inconsistence between two principals. In Kadelbach's (2002) words, how is a regulatory authority to act if the national implementation of EU Directives is not approved by the Commission? Informants from the Ministry of Science and the IT and Telecom Agency emphasize the governmental responsibility for transposing EU directives into national legislation. The Commission may address the national government in matters of inconsistence. Following these arguments, national regulatory agencies are not in danger of being caught between two principals – as working rule they are to follow national legislation. However, examples indicate that these kinds of dilemmas have been present. In the case of Finland the Commission considered the implementation of directives unsatisfactory and addressed the regulatory authority directly in this matter (ITTA interviews12.01.2004, 25.02.2004).

4.3 The IT and Telecom Agency and international co-operation and network
The telecommunication sector has not been internationalized only with the development of the European Union, as international cooperation has existed for decades. One example is the International Telecommunication Union, established as early as 1850. In 1997 the national regulatory authorities formed the Independent Regulators Group (IRG), a non-binding forum for exchange and debate on telecom experiences. The forum was established at the initiative of regulators, and the group has no formal role in the policy-making process. However, in parallel with negotiations in the Council the IRG group discussed and made several proposed amendments to the New Framework directives. According to informants in the IT and Telecom Agency, the IRG interaction provided qualified knowledge to the Council debate, clarifying a range of details (ITTA interview 25.02.2004). Interestingly, this indicates a certain influence from regulatory authorities on the decision-making process at EU level, in spite of their absence of formal access.

Aside of traditional cooperation in the telecommunication sector, the Commission has been eager to create a common European approach to this field. In the revision of telecommunication legislation in 1997-1999 the Commission took initiative to establish a European Regulatory Agency – receiving only moderate support from the member states. Instead, it was recommended to enhance

coordination and communication between national regulatory agencies; inspired of the IRG the Commission proposed to establish a High Level Communication Group to manage these activities (EU Commission 2000). After some amendments from the EU Parliament (EU Parliament 2000) it was decided to set up a European Regulators Group (ERG).

Remarkably, the proposal of a regulators' group in the EU has met scepticism among national regulatory authorities. One group of countries in the IRG has been enthusiastic about a regulator group, perceiving closer cooperation with the Commission stimulating for the legitimacy of regulatory work. Other countries have been reluctant to the set up of a new group and underline the capacity of established groups as IRG/CEPT/ECTRA[3] to handle the new tasks. According to informants in the IT and Telecom Agency some countries are afraid to lose independence to the Commission, and are not ready to give up IRG for the new ERG. With the continued existence of IRG, an option of exit from the ERG is still present (ITTA interview 26.02.2004).

Nevertheless, the ERG was set up as part of the New Framework with the purpose of promoting cooperation and coordination between national regulatory agencies to secure uniform employment of the directives (2002/21/EF). The ERG network surely is different from working groups established under the Council. With the purpose of guiding and assisting the Commission in consolidation of the internal market, the group has a common European focus, its members acting as regulators rather than national representatives.

Procedures of implementation and best practice (PIBs) are one of the ERG initiatives to increase harmonization. However, with these procedures being of non-binding character, they function primarily as advice and recommendation. The Commission is not without influence in this work; if regulatory authorities do not succeed in formulating common procedures, it is authorized as principal to make recommendations. The ERG furthermore works to increase harmonization by deciding remedies; in cooperation with the Commission the regulatory authorities specify obligations for a dominant market actor in a given situation. Again, the specifications are of a non-binding nature.

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[3] IRG: Independent regulators Group
CEPT: The European Conference of Postal and Telecommunications Administrations
ECTRA: The European Committee for Telecommunications Regulatory Affairs

The composition of PIBs and remedies illustrates a decreasing separation between legislation and implementation (Dehousse 2002). These activities are torn between the political objective of harmonization and the administrative principle of individual discretion. Harmonization can be increased by uniform guidelines for national regulatory activities. However, such guidelines may wipe out the discretion of national administrations, leaving them with legislative processes instead of implementation. In the ERG this problem has caused some disagreement. While the Danish approach has been to make the procedures as non-binding as possible to avoid conflict with national legislation, the Dutch approach has been quite the opposite, trying to give the procedures legislative effect (ITTA Interview 26.02.2004).

Interestingly, the ERG has until now been characterized by a rather high degree of internal conflict. The IT and Telecom Agency has even questioned the concept of voting, as decisions are not binding. Definition of members has also been a matter of debate; the Commission refers to "relevant national regulatory authorities" which in some countries also include national ministries (EU Commission 2002a). Petitions from ministries to participate in ERG have provoked serious opposition; according to informants in the IT and Telecom Agency this has been of "almost religious" significance to some authorities, threatening to boycott the ERG if ministries were admitted (ITTA interview 25.02.2004, 26.02.2004). This refusal to accept ministerial participation obviously questions the idea of a uniform national delegation at the EU level. However, the representation conflict has not been present in Denmark. The Ministry of Science has never wished to participate in the ERG – neither would the IT and Telecom Agency oppose its participation.

As indicated, the members of the ERG clearly have different expectations to network cooperation. A few examples go to illustrate this. When the European Parliament addressed national governments for feedback on New Framework consequences, the Dutch and a few other regulatory authorities in addition wanted to present their own statements. The Danish IT and Telecom Agency took strong exception to this idea, seeing it as a way of bypassing national ministries. Also, the Dutch regulatory authority reacted promptly when a legislative issue was handed to the Communication Committee (CoCom). As the Dutch ministry had not involved their regulatory authority in the work - as several other ministries (including the Danish) had done - the Dutch regulatory agency was without any influence in this setting. These examples illustrate the widely different patterns of interaction between regulatory authority and ministry in the Netherlands and

Denmark. An informant from the IT and Telecom Agency goes as far as arguing that the Dutch regulatory authority identifies more with other regulatory agencies than with its ministry (ITTA interview 26.02.2004).

From interviews in the IT and Telecom Agency it is possible to identify both national and common European interests when the Agency participates in ERG activities. However, it is obvious that the national identity remains the most important one, confirming the organizational studies of primary and secondary identities. An informant from the Ministry of Science emphasizes the legality aspect: As long as the IT and Telecom Agency acts according to the legislative framework, international inspiration is un-problematic (MS interview 25.02.2004). Several observations indicate that the traditional perception of national administrative officials often clashes with the demands they meet in international forums. Even though the ERG explicitly works to promote a common European mode of regulation, a glance of bad conscience is still discernible when informants from the IT and Telecom Agency describe their involvement in the common problem solving (ITTA interview 25.02.2004). Despite a change of context, the traditional definition of an official's obligation to serve national interests is still conceived as frame of reference.

Taken together the New Framework has had a considerable effect on international interaction in the telecommunication sector. The regulatory autonomy granted to regulatory agencies within the New Framework is matched by the notification procedure securing closer coordination and harmonization between national regulatory activities. Consequently, the growing European engagement has expanded the European focus and orientation in the Danish IT and Telecom Agency and made international co-operation more binding (ITTA Interview 25.02.2003).

4.4 The empirical evidence of a networked-administrative system
The New Framework has strengthened the idea of an evolving common administration by fostering systematic cooperation between national regulatory agencies and the Commission. Indeed, the ERG work with remedies and PIBs has supported harmonization and enhanced the opportunity of common administrative practice across national boundaries. The IT and Telecom Agency's will to participate in this work is, however, conditioned by the possibility of implementing the ERG procedures within the existing Danish legislative framework. Roughly, it is up to the other countries

to adapt to Danish legislation for a common practice to be obtained. This reluctant attitude of the IT and Telecom Agency may modify the effect of harmonization.

Revision of the telecommunication sector has enhanced the regulatory competences of the Commission and consolidated its role as principal *vis-à-vis* national agencies. This has created a situation where regulatory authorities are responsible to two principals. However, being functionally independent, these authorities are capable of serving both the national administration and the Commission at the same time. In serving the Commission, the IT and Telecom Agency is not in danger of confronting the Ministry of Science as cooperation with the Commission is related to its independent sphere of regulatory activities. This leads to the notion of the IT and Telecom Agency as double-hatted. Nevertheless, the argument of several principals can be questioned. In strictly legal terms the regulatory agencies are only responsible to national legislation emanating from the resort ministry. Where inconsistence between EU directives and their implementation occurs, the regulatory agency must follow national legislation and leave for the Commission and the national government to clarify the inconsistence.

The case study has revealed that the IT and Telecom Agency is characterized by multiple roles and is capable of separating these roles in different settings. In contexts where the Ministry of Science is the prominent actor – such as in preparatory work, Council working groups and CoCom - the IT and Telecom Agency acts as an integrated part of the ministry administration with a nation-based interest. In contrast, within the ERG the Agency participates as an independent regulatory agency cooperating with similar agencies and the Commission to solve regulatory matters in a common European context.

Multiple identities seem conspicuously present within the IT and Telecom Agency - the study thus confirms previous accounts by Egeberg et al. (2003). The study also shows widely contrasting dispositions of roles and interests among regulatory agencies. As regards the Danish IT and Telecom Agency, national attachment is primary and European attachment secondary whereas the opposite seems to be the case in the Dutch regulatory agency.

Certainly, patterns of interaction have changed for the IT and Telecom Agency. While relations with "sister" agencies in other member states as well as with the Commission have been

strengthened, however, it has not been at the expense of cooperation at the national level; the Ministry of Science remains the most significant partner for the IT and Telecom Agency. Moreover, the change of interaction has resulted in a widening of the IT and Telecom Agency's relations and tasks. Arguably, neither the IT and Telecom Agency nor the Ministry of Science finds this change problematic. Given their relationship based on trust, neither of them seems to perceive any effect on their internal relations. Testifying to these close relations, the IT and Telecom Agency has not used the new interaction patterns at EU level in a conscious attempt to bypass the ministry.

New patterns of communication may, however, profoundly disrupt the interaction between national actors. In countries characterized by inter-institutional conflict, Europeanized relations may be applied to bypass each other. This seems to be the case in the Netherlands, where the regulatory agency is eager to make ERG cooperation as binding as possible while excluding the ministry from participation. Likewise, the ministry has excluded the agency from the Dutch delegation in the Council working group and the CoCom. Evidently, changes in patterns of interaction at the EU, national and sub-national level accentuate a certain national disintegration. However, disintegration may transcend the negative connotation applied in Kadelbach's (2002) argument. As the case study has shown, national disintegration does not necessarily replace national cooperation - in other words, relations at national and international level may be complementary.

5. Explaining the development of a networked-administrative system

In general, the intergovernmental perspective builds on a logic of territory, where conflict and co-operation are taken to follow a geographical pattern. From an intergovernmental point of view, the European project remains a bargaining arena for autonomous nation-states. Hence, fundamental transformation of the national and European political system is not an option. Furthermore, there is no room for development of a networked-administrative system where sub-national and EU actors interact directly. In this respect the intergovernmental perspective does not account for the existence of different institutions with diverging interests and objectives within the confines of the state (Dehousse 1997). From an intergovernmental point of view EU integration is considered to strengthen national integration through a coordinated process at the national level, thereby disclaiming the possibility of national disintegration.

The empirical finding of double-hatted regulatory authorities confronts this traditional idea of hierarchy as well as the concept of coherent nation-states. Furthermore, the Commission's appearance as a principal challenges the intergovernmental idea of the EU institutions as neutral institutions controlled by the nation-states. From an institutional point of view, on the other hand, institutions are defined as "living organisms" in constant evolution, progressively acquiring a life of their own by generating interests and preferences (March and Olsen 1989). A neo-functional perspective adds the notion that transfer of sovereignty from nation-state to EU level promotes a spill-over process, in which integration weakens nation-state control (Haas 1958).

The empirical findings seem to give pertinence to a multi-level governance approach, by which network replaces hierarchy as frame of reference. Multiple points of access open for more or less institutionalized and structured co-operation between actors at EU and sub-national level. In a multi-level governance perspective direct interaction between the EU and the sub-national level does not replace but rather supplements inter-state relations. Thus, it is possible for sub-national actors to serve several principals - reflecting the concept of acting double-hatted. Following an organizational perspective, the IT and Telecom Agency's ability to act double-hatted and the Commission's role as principal can be explained by "unpacking" the organizational structure in and between institutions. The vertical specialization between the ministry and the IT and Telecom Agency functions as a precondition for serving both the Ministry of Science and the Commission in a double-hatted manner.

Also, the existence of multiple roles, identities and interests challenges an intergovernmental perspective. In line with the unitary state concept, the intergovernmental perspective claims that behaviour and preferences are formed at national level as national actors appear with predefined preferences and interests in the international arena. Focusing on formative decision making processes, the intergovernmental perspective ignores the fact that EU integration covers several policy processes and additionally involves multiple actors. Admittedly, the fact that national interests remain relevant to the IT and Telecom Agency in the ERG - the forum for independent regulators - seems to support the intergovernmental argument. However, as the IT and Telecom Agency is motivated by both national *and* European interests in the ERG it may seem more relevant to emphasize the *dual* structure of interests and identities.

From an organizational perspective, the organizational structure affects not only tasks but also the development of values, norms and identities. Accordingly, the argument on primary and secondary structures becomes relevant. In line with this argument the national environment is the primary structure for the IT and Telecom Agency as this is the setting where they spend most time and energy. Naturally, they will continue to be affected by the primary structure in international activities. The European identity and interests evolve as the IT and Telecom Agency participates in international activities in the ERG or the IRG, which constitute the secondary structures. From an organizational perspective, these secondary structures supplement the primary structure, thus creating a dual basis of identity and interests.

The identification of multiple interests, identities and roles is however not enough to substantiate the existence of a networked-administrative system as the patterns of interaction disclose how and when these identities, interests and roles are put into action. From an organizational point of view the interaction between national and EU level follows the institutional structure at the EU level, as national ministries are primarily involved in the Council structure, while the regulatory authorities interact with the Commission. The revision of the telecom directives has decreased the national ministries legislative influence and increased the administrative competences and discretion of regulatory authorities. Furthermore, the New Framework has increased the influence of the Commission and given the institution a legal opportunity to interfere in national regulatory activities. This direct interaction between the IT and Telecom Agency and the Commission illustrates the loss of a gatekeeper role for national governments. Thus, the intergovernmental idea of coherent and centralized nation-states is once again challenged by the empirical findings. The ERG can be described as a policy community as the interaction both has a formal and informal character and is exclusive in its criteria of participation. The work in the group is guided by formal procedures and rules, but an informal praxis of consensus seeking characterizes the interaction as well. This illustrates that the group has to a certain extent become institutionalized (Selznick 1957).

6. Conclusion and reflections

This paper has presented an explorative case study of the Danish IT and Telecom Agency. As the purpose of this study has been to identify possible signs of a networked-administrative system, patterns of cooperation and conflict has been analyzed. Evidently, this study shows that The IT and

Telecom Agency acts double-hatted, possesses multiple roles, identities, and interests and has experienced a change in patterns of interaction. These observations indicate and confirm the very notion of a networked-administrative system. While the intergovernmental approach is a highly appreciated integration theory it is not capable of explaining the existence of a networked-administrative system. It is primarily the state-centric and one-dimensional concept of integration that disqualifies this approach as a relevant framework of explanation. The multi-level governance approach, on the other hand, reveals a highly complex pattern of interaction across different levels of governance.

However, as the multi-level governance perspective can be seen as a primarily descriptive framework the explanatory potential of the approach is limited. Thus, organizational theory supplements the multi-level governance approach with more comprehensive explanatory tools. Claiming that structures and settings of organizations affect the behaviour of actors, the organizational perspective has proved to be a relevant framework of explanation. In this context the development of a networked-administrative system is related to the division of tasks and responsibilities between the institutions in the EU system. Combined with a decentralized administrative structure in the nation-states, where semi-autonomous authorities are decoupled from ministries as regards regulatory activities, new patterns of cooperation and conflict between actors at the national and EU level arise.

A line of reflection is, however, appropriate before ending this paper. Even though the organizational perspective appears as the most relevant explanatory framework in relation to the changes in the telecommunication sector focused on here, this perspective can be criticized for not theorizing the *degree* to which new patterns of cooperation and conflict have emerged. The empirical study indicates that the development has not been the same in all countries. As the case study suggests, cooperation between the Danish Ministry of Science and the IT and Telecom Agency is based on consensus and trust. This seems to be contrary in the Netherlands, where cooperation seems to be characterized more by conflict than consensus. In explaining these variations an institutional perspective focusing on national administrative traditions might be fruitful (Olsen 1992, 2001). The study presented here indicates that varying traditions of cooperation have influenced the behaviour of national actors. The close cooperation between actors in the Danish administration can be explained by the formal and hierarchical EU coordination

system in Denmark with procedures for hearings in special committees and a high degree of parliamentary control. Furthermore, the tradition of formal coordination in Denmark may have induced the development of an informal norm of cooperation, expressed by the actors' mutual will to cooperate with each other.

A transnational networked-administrative system can, in other words, be modified by administrative culture and political agency at the national level. The Danish case can be seen as a critical case in this respect. Thus, when this study by all means indicates that new patterns of cooperation and conflict do have emerged, this supports the argument of a general development of a networked-administrative system in Europe. Such a development seems even more likely to take place in countries with less formal cooperation procedures and parliamentary control.

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