ORGANIZING REGULATION IN A MULTI-ACTOR SETTING: LABOR INSPECTIONS IN A FEDERAL STRUCTURE.

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INTRODUCTION

The current paper deals with interdependence between actors in complex interorganizational networks. In recent years, the regulation literature has reported a marked increase in the complexity of regulation. New regulatory organizations have emerged, out of a hiving off from existing organizations (Jordana and Levi-Faur 2004). The increase of the number of regulatory bodies is the result of two kinds of specialization. **Horizontal specialization** is ‘the splitting of organizations at the same administrative and hierarchical level… and assigning tasks and authority to them’ (Laegreid et al. 2003:1). Whereas different stages of the policy cycle (policy preparation, implementation, evaluation and audit) used to be concentrated in single bureaucratic organizations, these stages are now separated and assigned as specific tasks to different organizations. **Vertical specialization** is ‘differentiation of responsibility on hierarchical levels, describing how political and administrative tasks and authority are allocated between forms of affiliation’ (Laegreid et al. 2003:1). This refers to the creation of semi-autonomous agencies that are placed at arm’s length of the core government bureaucracy. The credible commitment thesis holds that politicians should grant significant autonomy and decision-making powers to regulators, because independent regulators are more credible than traditional government bureaucracies (see Majone 1994). In addition, it indicates that authority has been dispersed from central states towards multiple levels of government. National states have delegated authority to subnational (e.g. regions) and supranational levels. As a result of specialization, sectors are now governed by multi-actor and multi-level constellations of relatively small and highly specialized government organizations.

However, the rise of such constellations poses some challenges with respect to the effectiveness of regulation. The increase in the number of regulators has been associated with fragmentation and siloization, meaning that organizations become confined within their own boundaries and are unaware of the mandates other organizations (Gregory 2006). This may lead to a duplication of tasks and high administrative costs for regulatees. Hence, recent regulatory reforms, notably the practice of ‘better regulation’ have focused on reducing fragmentation and emphasizing the need for improved co-ordination mechanisms (e.g. ranging from merely stimulating them to exchange information, over reshuffling competencies or even merging separate organizations, for a detailed overview see Bouckaert et al. 2010) (cfr. Hampton 2005). It is hoped that such co-ordination would stimulate
regulators to pay more attention to whole-of-government issues that have links with other organizations besides their own (Christensen and Lægreid, 2006).

Whereas ‘better regulation’ reforms have paid attention to the effectiveness of regulatory systems, it remains unclear how fragmentation, as well as the subsequent network co-ordination mechanisms, affect the discretion of single actors in the system. When actors have overlapping functions and share competencies with others, the capacity of single regulators to intervene may be constrained by the mandate and powers of other actors in the arena. Actors become dependent upon each other, whereby decisions of bodies have an impact on the matters that are also the object of the decisions of other bodies. One actor is no longer capable of fully determining a certain outcome, since the range of options may be constrained or shaped by the decisions of other actors. This mutual dependence creates a need to exchange information, but may also create the need to coordinate and sometimes negotiate each other’s actions.

By drawing on the concept of interdependence, stemming from literature on interorganizational relations, this paper aims to investigate how the discretion of a regulatory body is affected by other regulators in the constellation. The empirical material comes from a case study of the ‘Flemish inspectorate of employment’. Specifically, the objective of the paper is to map task divisions between the inspectorate and other regulators in the field, to identify how these task divisions result in interdependencies and to explore how these dependencies affect the behaviour of the regulators. Knowledge about such dependence relations has a wider relevance for the study of the autonomy of regulators. Much research has been devoted to studying autonomy from a principal-agent perspective, looking at how autonomy is constrained by control mechanisms of politicians. However, a dependence perspective suggests that, in order to get a full picture of the actual autonomy of organizations, research should also study the effects of horizontal relations between regulatory bodies.

The paper proceeds with explaining some central theoretical concepts like regulatory constellations and interdependence. Next, we briefly discuss the methodology and introduce the case-study. We proceed with the findings and end with a discussion and conclusion.

THEORETICAL FRAMEWORK

**Multi-actor multi-level actor constellations**

Regulation is defined as the public administrative policing of a private activity with respect to a rule prescribed in the public interest (Mitnick, 1980). It covers a whole range of activities, such as the definition and enforcement of public service obligations, competition rules, technical standards, and
access prices. Regulatory bodies are involved in several tasks: translation of general policies in more concrete norms and standards (e.g. standards of interconnection); application of these norms in individual cases via licenses and permits (e.g. building permission, license for supply or approval of technologies); monitoring compliance (e.g. information gathering) and enforcement (e.g. application of sanctions and rewards) (Hood et al., 2001). Thus, regulation is conceptualised as a bundle of tasks, where the output of a preceding task forms the input for the following task. Although a regulatory regime normally includes all tasks, the literature has argued that these are often spread across several organisations, sometimes comprising to complex multi-actor and multi-level institutional constellations.

In his seminal article, Majone (1994) described the rise of the regulatory state. Since the beginning of the 1980’s, regulatory reforms such as privatization, liberalization and re-regulation have caused a shift from the ‘positive state’ to the regulatory state. Whereas the traditional welfare state was concerned with redistribution of income and macro-economic stabilization, the regulatory state is mainly concerned with the correction of market failures via rule-making instead of direct production. The state retreats from sectors such as utilities and re-regulates the liberalized markets with less intrusive instruments. The regulatory state entails a new mode of governance, not only with changes in state functions (from distribution to regulation), but also with new institutions (Majone, 1997). Specifically, the regulatory state relies on indirect government, where powers are delegated to a complex web of specialized organizations. In order to signal credibility, the ‘regulatory state’ involves a separation of tasks, where regulatory activities (i.e. rule-making, licensing, monitoring, sanctioning) are separated from policy (i.e. preparation and determination). A second split is the separation of operational tasks and other tasks, with the former being allocated to newly-created organizations, with varying degrees of independence (Scott, 2004: 148; Christensen & Lægreid, 2005: 11). Furthermore, the national state increasingly shares authority with subnational and supranational actors, leading to a system of multi-level regulatory governance (Doern & Johnson, 2006).

This separation of tasks has resulted in a proliferation of actors. The new regulatory institutions do not entirely replace the old ones. Rather, some tasks are hived off from existing institutions and are allocated to these new forms, so that the latter are embedded in institutional settings that were created in previous periods. The accumulation of different institutions with the capacity to intervene has made decision-making in regulatory policy more complex than in traditional interventionist policies. Whereas regulation used to be concentrated in large bureaucracies, it now involves a myriad of highly-specialized organizations, where each organization has its own legal mandate and its own goals (Jordana & Sancho, 2004: 296). Specialization implies that tasks are split up into subtasks and only a few subtasks are allocated to each actor. Hence, there is now ‘regulation in many rooms’ (Black, 2003:
2). Regulation is no longer shaped by individual organizations, but by entire ‘institutional constellations’ (Jordana & Sancho, 2004) or regulatory ‘regimes’ (Doern et al., 1999; Hood et al., 2001; Hall et al., 2000).

A ‘constellations perspective’ implies that the regulatory chain (i.e. rule-making, licensing, monitoring, enforcement) is no longer performed by a single organization. Although all components should still be present in a specific sector, it is likely that tasks are spread across several bodies (Hood et al. 2001). Hence, regulations will be the product of the interplay between multiple organizations (Scharpf, 1997): ‘In order to both describe and prescribe for the regulatory system, a focus needs to be placed on the actors involved, on their regulatory capacities, and on how they are enrolled within a regulatory system’ (Black 2003: 2).

Fragmentation can have both positive and negative effects. One advantage of fragmenting tasks is that the time-consistency of policy may be increased. Fragmentation limits the mandate of each organization and prevents a single regulator from becoming too powerful. A second advantage is the existence of a back-up in case one regulator fails (Hood et al., 2001). A third advantage is that a fragmented and highly specialized regulatory arrangement may be able to collect more easily relevant information from the regulatees than a centralised one (Laffont and Martimort, 1999). However, fragmentation is associated with ‘silicization’, meaning that organizations become confined within their own boundaries and are unaware of the mandates of other organizations (Gregory, 2006). This may lead to a duplication of tasks, which increases administrative costs for companies when they must provide the same information to multiple organizations. Duplication of tasks will also create confusion and uncertainty if regulators contradict each other (Hansen and Pedersen, 2006; Helm, 1994). A second disadvantage is that companies can play regulators off against each other and exploit blind spots in rule enforcement (‘functional underlap’) (Hood et al., 2001; Geradin and McCahery, 2004).

**Interdependence between actors in constellations**

Several perspectives on interdependence have been developed. Emerson’s (1962) classical theory of power relations argued that social relations between two actors usually entail ties of mutual dependence between them. Actor A depends on B if A aspires to goals whose achievement is facilitated by actions of B. By virtue of mutual dependency, each party wants to be able to control or influence the other party’s conduct. Emerson (1962:32) defined the dependence of A on B as being “(1) directly proportional to A’s motivational investment in goals mediated by B, and (2) inversely proportional to the availability of those goals to A outside of the A-B relation.” Hence, the dependency of A on B is defined by two factors. The first factor is the value that A places on the goal for which an action of B is imperative. If the goal is very important for A, then his dependence on B is
larger than the goal has no importance. Second, when A can turn to another actor instead of B to perform the action, A will be less dependent than when there are no alternatives available. According to Emerson, the dependence of one party provides the basis for the power of the other, so that “the power of A over B is equal to, and based upon, the dependence of B upon A” (p.33).

Interdependence may be derived from task inputs, such as the distribution of resources needed to perform a task. In the context of public administration, interdependencies are created by the institutional norms (e.g. laws defining task divisions between bodies) that constrain the resources of the actor. There are several types of resources (Koppenjan and Klijn, 2004). Financial resources refer to money or funds (subsidies, funds, fiscal capacity). If financial capacities of government actors are limited, they may be forced to collaborate. Production resources refer to the availability of personnel. Knowledge refers to expertise regarding new developments, information on behavior of the regulatees,… which may be dispersed across multiple bodies. Probably the most important resources are the competencies, referring to the formal authority to decide, regulate, grant or prohibit certain behaviour (Voets 2008). Interdependence may arise when organisations need to co-decide or consult with others (in the case of shared competencies), or when other organisations can place veto’s or overrule decisions. The distribution of resources may lead to several kinds of interdependence (Benson, 1975; Thompson 1967). Pooled interdependence refers to resources combined into a shared pool to achieve a common strategic goal. This implies that actors are in a more or less coherent organizational structure in which they contribute to a joint purpose. The second type is sequential interdependence and indicates that one activity is required before another activity can be done. The third type is reciprocal interdependence and holds that each unit is simultaneously dependent on the other because its outputs are the other’s inputs. What these various types of dependence have in common is that each requires interaction between actors, albeit to a varying extent, and collective action, before a task can be performed (Wageman 1995:146). Whereas pooled interdependence is the least complex since it does not require explicit bargaining, sequential interdependence is considered more costly in terms of coordination. Reciprocal interdependence is even more interactive and requires ongoing mutual adjustment by both actors and continuous adaptation to each other’s circumstances (Voets 2008).

Sometimes this interaction may even be strategic. Emerson emphasized the reciprocity of social relations, so that two actors A and B will always be mutually dependent on each other. Hence, while actor B may have a power advantage over A, because of A’s dependence on B, actor B will also be dependent upon A, albeit to a lower extent. Actor A may then engage in ‘balancing’ actions, where he attempts to bring the power of B over A more in balance with A’s power over B. Based on the two dimensions of power dependence, Emerson identified several possible actions. First, actor A could reduce his motivational investment in the resources held by B. Second, A may seek alternative sources
other than B to acquire the resource. The power network is then extended by the formation of new relationships. Third, if two actors are both dependent on a third actor, they can form a coalition, this is uniting into a single actor that deals with the third actor. Whereas the second strategy reduces the power of the stronger actor, the third strategy is aimed at increasing the power of the weaker actors through collectivization (Emerson 1962: 37). Furthermore, resource dependency theorists (e.g. Pfeffer and Salancik 1978; Pfeffer 1982, 1987) have developed a whole catalog of organizational responses to interdependence. In theory, A could not only balance the relation with B by reducing his dependence on B (i.e. seeking alternative resources), but also by increasing the dependence of B upon A, given the reciprocity of social relations. In sum, research on interdependence has suggested that actors are at least boundedly rational, meaning that they are generally aware of their interdependence on other actors. They are aware of which actors they are dependent from and will respond to and even anticipate the moves of those other actors. They will respond to the rules set out by the institutional structure (i.e. co-ordinating when this is required by the legal task division), while still aiming to realize their goals. Although actors are not omniscient, they can be expected to actively pursue their preferences with intentional action (Scharpf 1994; 1997).

METHOD

In order to identify how the autonomy of regulators is affected by fragmentation and co-ordination, we performed a case-study of regulators in field of employment policy and regulation of the labor market. In order to study effects of specialization, we decided to focus on organizations who are involved in one regulatory task. Although inspectorates are usually active only in monitoring of the compliance to rules, they are considered as a crucial part of any regulatory system (Boyne et al. 2002). The Flemish regional inspectorate *Inspectie Werk en Sociale Economie* was selected as the focal organization of the study.

For the current paper, we used two sources of data-collection. First, official documents (legal statutes, annual reports,…) were used to map the relevant actor constellation and examine the formal task divisions between regulators, as well as the formal co-ordination mechanisms in place. Second, we draw from data from several semi-structured interviews with representatives of most relevant actors on the Flemish level (e.g. interviews with representatives of the licensing bodies in the sector; the ministerial department; the regional inspectorate) and on the federal level (interviews with three social inspectorates and members from the SIOD). We also performed one interview with a representative of the regional inspectorate of Brussels. In each organization, we interviewed top officials. Questions were centred around several clusters of subquestions (e.g. perception of fragmentation in the sector; perception of autonomy; presence of formal and perception of actual co-ordination mechanisms). Finally, the researcher attended meetings of one local district cell (cfr. infra).
Introduction of case
The ‘Inspectorate of employment and social economics’ (Inspectie Werk en sociale economie) hereafter IWSE, is responsible for monitoring the compliance of private firms and citizens to employment regulations produced or applied by the Flemish government. Being a division of the Flemish ‘Ministerial Department of Employment and Social Economics’, it is organised as having one central office in Brussels, where its management and secretariat is located, and five local offices, one per province. Inspectors are mostly located in the local offices and are responsible for performing the on-site inspections.

The inspectors of IWSE have far-reaching competencies. They are legally mandated to perform on-site controls without prior notice, to question employees, and to demand access to any relevant documents. In case they find an infraction, they have several tools at their disposal, such as providing information to the controlled firms on how to put them in order with the regulations; issuing a warning and performing a follow-up control; writing an official report (pro justitiae) which lists all infractions; and recommending the withdrawal of the permit. While the latter two options are the strongest actions at their disposal, they also imply that the IWSE is only involved in monitoring compliance (i.e. reporting infractions), not in enforcement or sanctioning. When inspectors decide to write a pro justitiae report, they have to send it to the investigative judge of the labor court (arbeidsauditeur). This magistrate decides autonomously whether the firm is brought to court. If the investigative judge decides not to prosecute, the report is sent back to the ministerial department, where a separate division (not IWSE), can decide to impose an administrative penalty on the firm. In a similar vein, IWSE will send the report to the licensing body that was responsible for granting the permit, and may advise to retract the permit, but the final decision is taken by the licensing body alone.

IWSE currently has a staff of 43 FTE (IWSE 2009), of which 34 are full-time inspectors. The staff size of IWSE has been subject to significant changes over the last years, following the expansion of its mandate. In 2005, the body had 21 FTE. The first important change came in 2006, when a large-scale reform of the Flemish administration, named Beter Bestuurlijk Beleid, brought about a major reshuffling of competencies between organizations. In the sector of employment policy, four semi-autonomous executive agencies were created. Whereas these bodies used to be active in multiple tasks, agencification implied a separation of execution of policy from other tasks (see also Spanhove and Verhoest 2008; Verschuere 2006). Hence, as a result of this increased task specialization, all tasks related to monitoring were hived off from the agencies and were allocated to the IWSE. By virtue of its new exclusive competencies acquired after several federalisation processes, the Flemish government has developed new measures to increase private employment in the region. Some of these measures, notably subsidies, appeared to be vulnerable for fraud, so that increased oversight was
deemed necessary. Finally, since the 1993 reform of the state, known as the Sint-Michielsakkoord, regional inspectorates gained some competence regarding the employment of foreign employees.

The structure after BBB is somewhat unusual. The BBB-reform envisaged that inspection tasks would be allocated to newly-created inspection agencies. The need to create an agency was based on the need to signal a clear separation between licensing or subsidization on the one hand and inspection tasks on the other hand. In addition, autonomization was deemed necessary to safeguard the independence of inspectorates, as well as to allow for the development of specialized expertise (see Memorie van toelichting kaderdecreet BBB 2003: 19). Hence, in several sectors, specialized inspection agencies have been created. However, IWSE has been kept as a part of the ministerial department. The main argument relates to the size of IWSE, which would lack the scale needed to make it a separate organization. However, it is important to note here that, despite the fact that IWSE is a part of the department, the need for autonomy, both from politicians and from licensing bodies, is emphasized. The fact that a low formal autonomy does not preclude that organizations may enjoy considerable actual autonomy has been confirmed in previous research (Verhoest et al. 2010; Yesilkagit and Van Thiel 2008).

On-site inspections can be initiated in two ways. First, they may be requested by other bodies such as licensing bodies or other inspectorates, for instance after these have received complaints of other firms or of employees of the specific firm. Sometimes the licensing bodies suspect fraud, but they depend on IWSE to perform the inspection, since only these inspectors have the right to demand insight in documents. However, in order to preserve the autonomy, the inspectorate can take initiatives itself and perform so-called ‘spontaneous’ inspections.

A central feature of most dual federalist systems like Belgium is the institutional autonomy of the federal and regional levels, aiming at a clear vertical separation of powers. Competencies are allocated to either the federal or regional level. Once a competence is allocated to a level, both the legislative and executive powers rest within this level. Each level is in principle exclusively competent to regulate a sector, so that governmental levels remain separated (Börzel and Risse, 2000). Hence, the federal and regional level each have exclusive competences over some aspects of employment policy. On the federal level, there are four main inspectorates for which Table 2 shows some of their exclusive competences. In turn, IWSE monitors compliance to the rules and subsidies over which the Flemish government has exclusive competences, as shown in Table 1. Activities 2-9 represent either permits or subsidies that are granted by one of the four Flemish executive agencies in the sector of employment.

Activity 1 in table 1 forms a special category, as this task is a shared competence with federal inspectorates, which is peculiar given the general principle of dual federalism. This task also represents the highest proportion of inspections for IWSE. The legislative competence regarding
working permits of foreign employees (i.e. determining the conditions on which working permits can be obtained and the procedures that must be followed to request a license) rest exclusively within the federal level (see Law 30 April 1999). On the contrary, the application of the law on individual cases (i.e. determining whether a specific applicant should be granted a working permit) rests exclusively within the regional level, based on the criteria set out in the federal law. However, the monitoring of compliance of the law (i.e. controlling whether applicants who received a working permit still comply to the legal criteria) is a shared competence between the federal and regional level. After the 1993 *Sint-Michielsakkoord* reform of the state, the general oversight over foreign employees was maintained as a federal competence but ‘infractions can also be ascertained by regional inspectors’ (Law 1993-07-16/30, art.2, § 8), making it de facto a shared competence between the federal and regional levels. Figure 1 shows a schematic presentation of which organizations have which tasks regarding working permits of foreign employees.

**Table 1: Activities of IWSE in 2008** (source: IWSE 2009: 9)

<table>
<thead>
<tr>
<th>Activities</th>
<th>Number of controls in 2008</th>
<th>Proportion if total activities (in percentages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Employment of foreign employees</td>
<td>1150</td>
<td>38,83</td>
</tr>
<tr>
<td>2) Private employment mediation/relocation fund</td>
<td>604</td>
<td>20,39</td>
</tr>
<tr>
<td>3) Diversity (<em>evenredige arbeidsmarkt deelname</em>)</td>
<td>49</td>
<td>1,65</td>
</tr>
<tr>
<td>4) European Social Fund</td>
<td>107</td>
<td>3,61</td>
</tr>
<tr>
<td>5) Social economics (several subsidies)</td>
<td>151</td>
<td>5,10</td>
</tr>
<tr>
<td>6) Stimulation of employment</td>
<td>5</td>
<td>0,18</td>
</tr>
<tr>
<td>7) Professional education/competentieagenda</td>
<td>23</td>
<td>0,78</td>
</tr>
<tr>
<td>8) Other Employment subsidies (Reguliere Tewerkstellingsprogramma’s en premies)</td>
<td>820</td>
<td>27,68</td>
</tr>
<tr>
<td>9) Language decree (taaldcreet)</td>
<td>53</td>
<td>1,79</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2962</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Table 2: Exclusive competences of federal inspectorates (source: SIOD 2008a: 12)

<table>
<thead>
<tr>
<th>Sociale Inspectie</th>
<th>Rijksdienst Sociale Zekerheid</th>
<th>Rijksdienst voor Arbeidsvoorziening</th>
<th>Toezicht Sociale Wetten</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social security for employees</td>
<td>Social security of employees</td>
<td>Unemployment legislation</td>
<td>Contracts, both individual and collective (CAO)</td>
</tr>
<tr>
<td>Annual vacations</td>
<td></td>
<td>Early retirement</td>
<td>Labor law (health and safety, hour limits,...)</td>
</tr>
<tr>
<td>Work-related accidents</td>
<td></td>
<td>Subsidies related to temporary leaf (tijdskrediet, loopbaanonderbreking)</td>
<td>Protection of wages</td>
</tr>
<tr>
<td>Health Insurance</td>
<td></td>
<td>Fund for the closure of enterprises</td>
<td>Interim employment</td>
</tr>
<tr>
<td>Registration of Construction workers</td>
<td>Dienstenchequebedrijven</td>
<td>Dienstenchequebedrijven</td>
<td>Non-discrimination</td>
</tr>
<tr>
<td>Dienstenchequebedrijven</td>
<td>Outplacement</td>
<td>Outplacement</td>
<td>Dienstenchequebedrijven</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Outplacement</td>
<td>Outplacement</td>
</tr>
</tbody>
</table>
Figure 1: Multi-level regulatory task division in working permits of foreign employees
FINDINGS

Federal-regional relations: employment of foreign employees

The monitoring of the employment of foreign employees is a part of a larger package of competences related to combating illegal employment (zwartwerk) and social fraud in general. This package consists of 4 types of activities, each of which are shared tasks of multiple inspectorates.

Table 3: Task division with respect to combating social fraud (source: SIOD 2008a)

<table>
<thead>
<tr>
<th>Controlling for</th>
<th>Federal inspectorates</th>
<th>Regional level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Social documents</td>
<td>Sociale Inspectie (SI)</td>
<td>Rijksdienst Sociale Zekerheid (RSZ)</td>
</tr>
<tr>
<td>a) DIMONA Declaration of employment</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>b) Social documents (personnel register,…)</td>
<td>x</td>
<td>X</td>
</tr>
<tr>
<td>2) Part-time labor</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>3) Koppelbaze n</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>4) Employment of foreign employees</td>
<td></td>
<td>a) Employment licenses for foreign employees (arbeidskaarten)</td>
</tr>
<tr>
<td>b) Residence permits</td>
<td>x</td>
<td>X</td>
</tr>
<tr>
<td>c) Employment licenses for foreign entrepreneur</td>
<td>x</td>
<td>X</td>
</tr>
<tr>
<td>d) Human trafficking</td>
<td>x</td>
<td>X</td>
</tr>
<tr>
<td>e) Declaration of foreign expats (LIMOSA)</td>
<td>x</td>
<td>X</td>
</tr>
</tbody>
</table>
As shown in Table 3, the combat against illegal employment is mainly an exclusively federal competence, as the regional level is only involved in monitoring the employment of foreign employees. However, this activity consists in itself of 5 tasks, for which the regional level is involved in only one (arbeidskaarten).

**Formal co-ordination in the employment of foreign employees**

The need for increased co-ordination between the inspectorates regarding social fraud became evident first after a report of the European Commission (1998), stressing that member states are increasingly confronted with similar problems, such as the influx of illegal employees from non-EU countries. According to this report, member states would only be able to counter these problems if they developed a global strategy and co-ordinated their actions. For Belgium, this implied that a federal body needed to be created, in order to maintain contacts with other member states, as well as co-ordinating inspectorates internally (see SIOD 2007: 82).

To this end, in 2003 two bodies were established: the ‘Federal Council for combating illegal employment and social fraud’ was responsible for making strategic plans to combat fraud, while the ‘Federal Co-ordination committee’ was responsible for the implementation of the strategic plans. However, the task divisions between these bodies was not well delineated and they never really collaborated well. One respondent notes that:

_There were continuous turf wars between the chair of the committee and the chair of the council. They both wanted to be the primary co-ordinator of the combat against fraud and they both argued for a different policy approach. They both wanted to strategic as well as operational matters. So the law never worked, and we had to replace it by a structure in which the inspectorates were directly involved in strategic matters, and where one chair was responsible for both strategic and operational affairs._

Hence, in December 2006, the two bodies were replaced by the ‘Sociale Inlichtingen en opsporingsdienst’ (SIOD). This organization is responsible for improving the co-ordination between all inspectorates that have some competence regarding social fraud.

The SIOD is governed by several bodies. The ‘general council of partners’ (algemene raad van partners) has a very broad membership, consisting, among others, of all federal inspectorates and the regional inspectorates (3 in total). It also advises the federal bureau regarding the strategic plan. The daily operations of the SIOD are managed by the ‘federal bureau’ (federaal aansturingsbureau). The main body of the bureau is the Directiecomité, which is responsible for drafting the strategic and operational plans for the next year, as well as monitoring the execution of the current plans. These plans specify the inspections that all inspectorates, federal and regional, have to carry out in the following year. This includes selecting which sectors are prone to fraud and that need to be strictly
controlled (strategic plan), as well as setting specific targets for inspection teams (operational plan). The plans are forwarded to the general council for discussion and advice, after which the bureau makes the final decision. Hence, in order to avoid turf wars that were created by the 2003 law, the 2006 law allocated all strategic and operational decision-making capacity to the bureau, although the council of partners still has an advisory role. The bureau also has some tasks related to policy preparation. First, it produces opinions and advices on new legislative proposals of the government. Second, it formulates policy proposals to ministers itself, in order to develop new measures to combat social fraud. Twice a year, it reports to the general council on the progress of the operational plan (i.e. statistics regarding the number of inspections that have been carried out, main infractions, general state of policy execution regarding social fraud). The Directiecomité is composed of the top management of federal inspectorates (the four social inspectorates + 3 other federal bodies), a representative of the judicial branch and a director. The bureau has some staff of its own, consisting from inspectors that are temporarily transferred from the four federal inspectorates. These inspectors are responsible for tracing ICT-related fraud, as well as to monitor the local district cells.

The third body, the ‘local district cells’ (arrondissementele cellen) are the operational heart of the SIOD. They were established in their current form by the law of 2003, and were maintained by the law of 2006. Each judicial district has its own cell, amounting to a total of 23 cells (12 in Flanders, 1 in Brussels and 10 in Wallonia). These cells are competent to perform inspections, called ‘actions’, in all matters of Table 3. These cells are obliged to perform at least two joint actions each month. In practice, there is some diversity between the cells with respect to the number of joint actions. The cells produce reports on their activities and send them to the bureau of the SIOD. Each cell consists of members from the four federal inspectorates, a representative of the SIOD bureau, a representative of the regional inspectorate, federal police and is chaired by an investigative judge of the labour court (arbeidsauditeur). After a control, the inspectorates write a report (process-verbaal) which lists all infractions, and sends these to the investigative judge. The auditeur usually does not take part in the on-site controls, but is responsible for the prosecution of the infractions. At least once a month, a core committee of each cell (GRI- Besloten groep voor regionale interventie) meets in order to plan the actions for the coming month and to evaluate actions of the previous month. This group is composed of the investigative judge, and representatives of the federal inspectorates and the SIOD-bureau. These meetings are intended to organize the implementation of the annual action plan of the cell.

Actual relations

The fact that combating social fraud is partly shared by multiple levels of government is also reflected in the governance structure of SIOD. The 2006 law (Programmawet 2006 art 313) establishing the SIOD structure allowed for the regional inspectorates to become a member of the general council of partners. The Flemish Government made this request almost immediately so that the regional
The bureau has a considerable power over the district cells. First, in writing up the strategic plan for the following year, it prescribes the total number of inspections that all cells have to perform that year, being roughly 10,000 controls for 2009. The bureau determines for 50% in which sectors these controls should take place. The allocation of inspections over sectors is based on a risk management system developed by the bureau, where the bureau analyzes statistics of inspections of previous years to determine which sectors pose the highest risks for fraud. In practice, these 5000 controls refer mostly to sectors like construction, restaurants, cleaning firms and garages (SIOD 2008b: 7). The other 5000 controls are free to choose for the cells, because it is assumed that each local district may have its own specific risks (e.g. employment of foreign sailors in cities with ports). These total numbers are then divided proportionally amongst all cells, so that cells in larger cities must perform more inspections than small cities. Hence, at the beginning of the year, each cell receives a minimum total number of inspections that must be carried out, as well as specific targets for the priority sectors. The cells are autonomous in deciding how these targets are met, i.e. selecting which firms are being controlled. In addition, they can choose in which sectors they perform the other 50% of the controls. In return, the cells must produce reports on their activities and send these to the bureau, which publishes the data in its annual report.

The weak formal position of the regional bodies in the SIOD is also reflected in the district cells. There are currently 23 cells, 12 of which are in Flanders. The Flemish regional inspectorate has requested to be a member of the cells in 2006, but initially only 6 responded. The inspectorate repeated its request in 2007 (IWSE 2007: 10) and is currently involved in 11 cells. In addition, although it is a full member of the cell, it is not always involved in the planning of the actions. The law of 2006 makes an explicit distinction between the cell (which carries out the on-site inspections, at least two days a month), where the regional inspectorate is a full member; and the GRI (core group within each cell that meets once a month to plan and evaluate controls), in which the regional inspectorate is absent. Finally, a control by members of the cell is only recorded as an official ‘action’
in the activity reports of the cell when at least two bodies participate in the control, and at least one of those bodies must be a federal inspectorate. A respondent notes:

*Suppose I plan an action of the cell around the employment of foreigners. Not about salaries or employee rights or anything, but really about our core topic. If I ask the (...) [federal inspectorate] to join, then it’s ok. If I ask the same body, and assistance from the police, or from other bodies, then it’s ok as well. But if, for some reason, the federal inspectorate does not show up at the time we agreed, then it doesn’t count as an action of the cell and it’s not recorded in the statistics, even when I and the police are present.*

Although the cells are autonomous to determine how the other 5000 controls are performed, their discretion may also be affected by other bodies:

*In 2009 we started looking at clothing shops, and we have opened many records there. The problem is that when we send all these files to the investigative judge, to start a judicial investigation, they tell us not to do any controls there anymore, because every control brings about new elements in the files, and they can’t finish a file. At some time there was even an embargo on these controls.*

Another reason why the IWSE is not very visible in the cells is related to its limited competence. Whereas IWSE is only competent to perform controls on the employment of foreigners, on-site inspections usually relate to multiple infractions (e.g. safe work environment, salaries,...), for which the IWSE is not competent. In order to limit the number of reports, the investigative judges have requested to receive only one report per inspection, listing all infractions in the same document. However, when infractions are discovered for which the IWSE is not competent, it is up to the federal inspectorate to write the report. Hence, in addition to the low number of initiated actions, the IWSE is not able to produce many reports (Pacolet and De Wispelaere 2008: 50-51).

In order to assess risks and to analyze patterns of infractions, both the regional and the federal inspectorates use several electronic databases. For instance, they all have developed inventories listing all permits that have been granted in the areas for which they have a competence to control. The most extensive databases have been developed at the federal level, since these inspectorates are competent to control all aspects of illegal employment and social fraud. Given that most competencies are shared by multiple federal inspectorates, these bodies have granted access to each other’s databases (for an overview, see SIOD 2007). Examples of such shared databases are the DIMONA-database (containing all legally declared employees of each firm in Belgium) and the LIMOSA-database (containing all legally declared foreign expats in Belgium). These databases allow to detect illegal employment during an on-site inspection, by comparing the lists in the databases with the employees that are present during the inspection. Other databases are designed to improve the ex ante risk assessment, in order to determine which firms should be controlled. The GENESIS-database has been jointly developed by the four main federal inspectorates, containing multiple kinds of data (e.g. tax
declarations, personnel declarations, unemployment benefits) allowing for data-matching and identifying the potentially high-risk companies. In addition, it allows to monitor the activities of the other inspectorates:

Suppose I receive a complaint regarding a certain firm. Should I perform an inspection as a response? Well, I will first look whether other inspectorates have already carried out controls, on which topics and with which results? Or maybe they have received a complaint on the same topic as well, so then we can do the control jointly. However, if I see that another body has already performed a control and has made a report, then I don’t need to go there again and I can invest my time in controlling other firms.

Another respondent stresses the need for data-matching:

You can see in practice that, to an increasing extent, social fraud occurs almost simultaneously with fiscal fraud. Those firms that hire employees illegally are also the ones who evade taxes. So the social inspectorates need data from the fiscal inspectorates in order to know which firms pose a higher risk, and vice versa.

Considering the increased focus on risk management, the regional inspectorates have requested official access to the federal databases. However, since the regional bodies have no competencies in topics such as indirect taxes or unemployment benefits, access remains difficult due to privacy concerns. This hampers the ability to perform risk assessments, as well as the ability to play a more active role in the district cells. In their review of the risk management system of IWSE, Pacolet and Dewispelaere (2008, p.49) have argued that the lack of access to federal databases forms the main obstacle to initiating more actions of the cells. They depend on the “goodwill” of the fiscal administration for acquiring tax-related data on the one hand, and of the social inspectorates to acquire data from the GENESIS and/or DIMONA databases on the other hand.

However, the formally rather weak role of the regional inspectorates in the cells often differs from practice. First, they attempt to build up expertise and to participate more actively in the actions of the cells (cfr. IWSE 2007: 10). As one regional inspector notes:

We are present already for a long time, and we have gained a legitimate position here. It works quite well, and I feel we are often in charge, certainly when it comes to preparing specific actions in bakeries, butcheries and in Chinese stores. In the construction sector, we know that there are many Brazilian workers working illegally, so we are very active in that sector in our cell, we collaborate well.

Furthermore, in practice all members of the cell are usually invited in meetings of the GRI, so that IWSE is also able to initiate actions in these cells, and request assistance of federal inspectorates, in addition to only participating at the request of the other inspectorates. Meetings of the GRI are relatively informal, where each inspectorate communicates which firms they believe should be controlled (based on complaints, e.g. by employees or clients; on the request of other government
bodies or based on their own risk assessment). Depending on the specific expertise that is required, or a specific infraction that is expected, the other inspectorates are autonomous to decide whether they participate in the planned control. Notwithstanding, the IWSE only rarely seems to initiate an action in the cells in practice (Pacolet and De Wispelaere 2008). In 2006 (most recent data), IWSE initiated 7 out of 92 actions in which its inspectors participated.

The cells are always chaired by the investigative judge of the labor court of the district, and the leadership seems to determine the culture of the specific cell. Hence, “the approach towards actions varies greatly among the cells, two similar sectors or similar types of fraud can be controlled very differently in two different cells” (SIOD 2008b: 3). Hence, the extent to which IWSE is involved in the planning of the actions may be expected to vary as well, certainly given the limited role it is attributed by the law. Respondents noted that some investigative judges attach more importance to collaboration than others.

Finally, regional inspectorates may form coalitions regarding which opinion they will defend in the council of partners. Respondents indicated that they co-ordinate their viewpoints before the meetings of the council.

**Relations with licensing bodies**

Licensing bodies seem to be relatively specialized, as they are only involved in granting a permit/license, and retracting it in case of serious infractions. They are not involved in rule-making, which is usually performed by the ministerial department, nor in monitoring, which is preserved for the IWSE. As a manager of one licensing agency states:

> *We give subsidies to organisations that implement programmes to stimulate local employment, or programmes aimed at training unemployed people. My staff is really devoted to helping these organisations in the field. We want to give these organisations subsidies, but this requires that they follow the procedures to request subsidies, that they motivate their request properly. So my team informs them on the requirements, and helps them in preparing the requests. We guide them, coach them. Hence, we are just not able to do any enforcement, because we are already too involved in the projects to be objective. So you need to have a separation of tasks there. Therefore, inspection is in the department, all the rest is here.*

This specialization seems to be partly a result of the BBB-reform:

> *Before the BBB-operation, most subsidies, as well as inspections, were done by one organization [the department]. During BBB, it was decided that licensing and monitoring needed to be separated, since they entail a whole different approach. I must say, this separation encountered much resistance from the staff in my organisation. They wanted to keep things under control, they wanted to have the possibility to impose sanctions in case something went wrong.*
Such an increased specialization has made inspectorates and licensing bodies mutually dependent on each other. First, licensing bodies depend on reports of inspectorates before they can decide whether a specific license should be retracted. In turn, inspectorates depend on the licensing bodies, for various aspects.

On the operational level, they depend partly on the licensing bodies with respect to specific firms that need to be controlled. Controls are performed either after a request of a licensing body, or by spontaneous action of the inspectorate. When inspectorates need to respond to a request from a licensing body, they have less time and personnel available for spontaneous actions. Hence, one indicator for the degree to which IWSE depends on licensing bodies is the proportion of total inspections that is initiated by these licensing bodies. As shown in Table 4, licensing bodies determine about 25% of IWSE’s inspections regarding the working permits of foreign employees.

### Table 4: spontaneous versus requested inspections in working permits of foreign employees (source: IWSE 2009:11)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>%</th>
<th>Change compared to 2007 (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spontaneous controls (initiative of IWSE)</td>
<td>489</td>
<td>56,4</td>
<td>+42,5</td>
</tr>
<tr>
<td>Actions of SIOD local cells</td>
<td>234</td>
<td>16,1</td>
<td>+20,4</td>
</tr>
<tr>
<td>Upon request of licensing bodies (i.e. Subsidieagentschap WSE)</td>
<td>385</td>
<td>23,9</td>
<td>+33,5</td>
</tr>
<tr>
<td>Upon request of others</td>
<td>42</td>
<td>3,6</td>
<td>+3,6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1150</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

In contrast to what the data in table 4 suggests, the perception of some respondents from licensing bodies is that spontaneous inspections are scarce:

_Sometimes it occurs that they receive a complaint from a citizen, and they need to act fast. Then they inform us that they will perform an inspection, and they send us the report afterwards. Or sometimes when they are on-site, they may suspect infractions in neighboring companies and inspect these at the same time. But I must say, this does not occur very often._

Since IWSE has no competence in enforcement, a report is written after the inspection, which is then sent to the licensing body. However, the inspectorate can recommend to retract a license and is sometimes consulted on this by the licensing agencies:
We feel such recommendations are a part of their mission. Of course, there may be some debate, and we don’t always follow their advice, but when it is very well motivated, we may follow their advice.

However, there is some variation between inspectorates regarding this. As one respondent notes:

*Occasionally there is some dialogue. But usually the procedure is that they make a request, we send them the report, they look at it and they take a decision. We don’t really hear anything from them after the control.*

On a tactical level, inspectorates and licensing bodies are mutually dependent regarding the method which should be followed while performing the on-site control. For instance, both actors have to agree on the format of the formal reports. For both inspections on demand, as well as spontaneous controls, IWSE is dependent upon licensing bodies for providing information on which firms have been granted which permits. However, this dependency seems to be somewhat reduced by IWSE, by setting up its own databases. Most regulations that IWSE controls are applied by the *Subsidie-agentschap WSE*. However, IWSE has developed a system for automated electronic data exchange, called MIA. The *subsidie-agentschap* requests a control electronically and is able to monitor the progress of the request. In return, IWSE is able to access the databases of the *subsidie-agentschap*, because these are integrated into the MIA-system. Hence, IWSE no longer has to request the information it needs, but can access it directly through the MIA-system. In fact, since the MIA-application is run by IWSE, and the *subsidie-agentschap* has to use the application to monitor the progress of their requests, the agency may become dependent on IWSE. IWSE has set up similar systems with the other licensing bodies, albeit with a varying degree of complexity. By aggregating these bilateral data, IWSE may not only reduce the dependency on the licensing bodies, but may even be able to gain an informational advantage over the licensing bodies:

*It sometimes happens that an organization has gained a subsidy from the subsidie-agentschap, but it also has gained a subsidy from us, and at the same time a subsidy from a programme run jointly by us and the subsidie-agentschap. We know something about the second and the third subsidy, but not about the first since it is not our competence. IWSE is the only body that has a full picture of this organization; because they have access to the internal databases of all licensing bodies. So if they couple these separate databases, they gain a pretty powerful tool.*

On a strategic level, there may be some interdependence as well regarding the priorities for the next year. When licensing bodies initiate many inspections on a specific topic, then IWSE is constrained regarding to which sectors should be controlled more frequently. In practice, inspectorates and the licensing bodies seem to negotiate to some extent on which regulations are most sensitive to fraud and need to be controlled more than others:

*There is some consultation on priorities, simply because inspectorates and licensing bodies both have a lot of regulations they need to monitor and they are both constrained because*
they have very limited resources. Hence, we make general agreements. For one subsidy, we currently have 60,000 records, and we expect to have much more of these because of the economic crisis. But we know these records are all relatively small in size, and the risk of fraud is low. So we agreed that we do not request inspections regarding that subsidy.

Despite the potential mutual dependency on operational, tactical and strategic levels, formal coordination mechanisms are surprisingly absent. There are hardly any written agreements with respect to information exchange between the two licensing bodies and IWSE:

*We never really felt the need for such mechanisms. I think the organizational culture is more important; and I believe that we have a strongly collaborative culture here.*

Instead, most interorganizational coordination seems to be informal. The top managers of the different organizations seem to know each other quite well, especially the managers of the licensing bodies and the secretary-general of the department (of which IWSE is a division):

*We see each other normally every Monday morning and we talk face-to-face (...) We have the same background and we have been around for some years. It really has become a personal relation as well.*

However, contacts between the top management of the licensing bodies and the manager of IWSE seems to be less frequent than with the secretary-general. Contacts between these organizations occur more on an ad hoc-basis and on the operational level, for instance regarding specific firms. As mentioned, there is some negotiation on operational, tactical and strategic affairs, but this is not formalized.

Although respondents felt that these relations work quite well in general, there are some specific problems in relations between inspectorates and licensing bodies. First, although inspectorates are responsible for monitoring whether particular private firms comply to the legal norms, their reports sometimes contain recommendations regarding the functioning of the licensing body itself. The latter sometimes respond to these recommendations in a defensive way, when they perceive these recommendations as a kind of evaluation of the internal processes of the licensing agency. This causes relations to be strained:

*Sometimes other inspectors come to me and tell me: ‘why did they [licensing body] approve that permit in the first place? If they would have seen the address of where the application was coming from, they should have known that it was suspicious’. They [licensing bodies] don’t have the same knowledge of the terrain like we do.*

Second, licensing bodies report they are particularly concerned with the societal effects of employment subsidies and regulations (i.e. the achievement of a policy goal such as the reduction of discrimination), whereas inspectorates seem to focus on the formal compliance of firms to detailed
rules instead (e.g. checking whether documents are filled in correctly). As a result, licensing bodies sometimes expect a different kind of information than what they receive via the formal reports after an inspection:

*Inspectors are looking for ‘certainty’. They want to have very clear laws, which state explicitly and in great detail, which actions are allowed and which are not. But sometimes rules become so complex that such procedures are not manageable anymore. (...) at a certain time, we initiated a big meeting with the inspectors, because my staff was complaining about the usefulness of the reports that inspectors produced. The reports were not to the point and did not really contain the information that we requested. So we organized several meetings and made some appointments with each other afterwards.*

Finally, a major challenge for IWSE in the future will be that, for an increasing number of subsidies, its role changes from traditional inspectorate towards auditing body. Private recipients who receive subsidies, notably in the framework of the European Social Fund but also of the subsidie-agentschap, will be required to adopt a quality management system, which IWSE will have to audit. This will require new skills and expertise from IWSE, since inspection differs from audit. The main focus of the former is on the compliance to formal rules, whereas the latter is largely concerned with management arrangements, costs and value for money and accounting for the use of public money (Boyne et al. 2002: 1198):

*The inspection will still have to look at some formal bookkeeping requirements, but mainly they will have to check whether the particular company has implemented the EFQM system and to check what the results of the self-assessments of these firms are. But that’s all; there will be no more extensive list of formal quality requirements.*

In sum, these three potential problems in relations between inspectorates and licensing bodies suggest that increased interaction and co-ordination, especially regarding the methodology of performing inspections and the post-hoc reporting, will be necessary.

**DISCUSSION AND CONCLUSION**

The findings of the case study suggest that the Flemish labour market is regulated by a complex multi-actor multi-level constellation, where highly specialized organisations on both federal and regional levels are active. An important advantage of fragmented systems is the existence of a back-up in case one regulator fails (Hood et al. 2001). The principle of back-ups and duplication seems to be strongly built into the regulatory architecture of the sector. In the case of social fraud, all competencies are shared by at least two federal inspectorates, and often all four inspectorates are jointly competent. This is most obvious in the case of working permits of foreign employees, where the regional inspectorate is competent as well. A second indicator of back-ups is that inspections can be initiated both by licensing bodies and inspectorates. In case the risk management system of licensing bodies fails to detect a specific infraction, this can still be detected by a spontaneous action of the inspectorate.
However, the data suggest that the fragmentation of tasks also creates dependencies between bodies in the constellation. First, there is some power dependence from IWSE upon the federal level. The strategic importance of the control of working permits of foreign employees is arguably very high for IWSE, as this activity accounts for the largest proportion of inspections (high *motivational investment*). The legislative competence rests solely with the federal level. In addition, the authority within the SIOD rests mainly with federal inspectorates, both on the strategic level (the council of partners), and on the operational level (the local cells) (low *availability of alternative sources*). Even when IWSE performs a spontaneous control (i.e. controlling working permits of foreign employees, without involving the local cell), it may still depend on federal inspectorates, for instance to acquire fiscal data. A second dependence relation is the relation between IWSE and Flemish licensing bodies. This resembles the situation of sequential interdependence, as the output of licensing bodies (i.e. granting a permit) forms the input of the inspectorate (controlling the applicant). In a similar vein, it could be argued that the licensing body depends on IWSE regarding information on whether a specific permit should be retracted. IWSE depends on licensing bodies for information about the regulatees. In addition, its discretion to perform spontaneous controls is constrained by a high number of requests of control on behalf of the licensing bodies.

Whereas the theory predicts that interdependence will lead to increased interaction, we find very few formal co-ordination mechanisms between the organisations. Instead, co-ordination seems to be much more informal and ad hoc-based. Although there is few communication on the top management level, there seems to be much more information exchange on the operational level, regarding specific controls. Respondents perceived no problems regarding the extent of co-ordination. Notwithstanding, we asked respondents to fill out a survey containing questions from the social network analysis literature. These questions refer to actual information exchanges between organizations (e.g. the frequency of contact between organizations; whether these are formal or informal; who receives information from whom,…). Although the analysis of the survey is beyond the scope of the current paper, it is relevant to note that the survey seems to confirm the findings from the face-to-face interviews. Organizations on the Flemish level (licensing bodies, inspectorate, department) share a relatively large amount of information. Furthermore, federal inspectorates communicate very frequently with each other. However, there appear to be very few linkages between the governmental levels.

Although further data-analysis is required, the findings seem to suggest that organizations are not only aware of interdependencies, they may also engage in ‘balancing actions’. Regional inspectorates may sometimes form coalitions to deal with their federal counterparts in the SIOD, when they agree to form one ‘regional voice’ in the council of partners. They also seem to be eager to develop their
professional reputation in the local cells, as they attempt to initiate more controls. They also focus heavily on a small set of sectors, whereas federal inspectors have a wider scope. Such a focus could potentially allow them to develop a unique expertise that is valued by the federal inspectorates. In addition, by setting-up its own databases, IWSE attempts to find alternative sources of data on the regulatees. Finally, by performing increasingly more ‘spontaneous’ inspections, the regulator attempts to reduce its dependence upon requests of other organizations.

These findings seem to suggest that horizontal relations between organizations that share a similar task, but are on the same hierarchical level, may affect the discretion and autonomy of single actors. Hence, incorporating these horizontal relations in addition to vertical principal-agent relations may help to acquire a more complete picture of the actual autonomy of organizations.

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