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The Robustness of National Agency Governance in Integrated Administrative Systems: Evidence from a large-scale study

Research Article

Abstract: *This article examines government agencies facing choice architectures that are multiple, overlapping, ambiguous, and sometimes incompatible—in short: turbulent. It makes two contributions: First, two conceptual images of agency governance are outlined that derive distinct predictions on how agencies are likely to maneuver when embedded in integrated multilevel administrative orders. Secondly, benefitting from a large-N dataset on agency officials (N = 1,963) from 47 government agencies, the study suggests that government agencies are primarily biased towards a pragmatist compound dynamic. Additionally, the analysis probes the robustness of these conceptual images by entering moderator variables into the analysis. Multiplicative interaction model analysis suggests that the compound dynamic of agency governance is robust because no moderator variables fundamentally transform relationships from one governance type to another.*

Evidence for Practice

- Public governance is characterized by robustness and thus not likely to face fundamental shifts.
- This is the case even when government officials face choice architectures that are turbulent.
- The pragmatic compromises civil servants make when navigating everyday affairs are mediated through, and conditioned by, preexisting institutions, practices, and traditions.
- How government agencies navigate conflicting concerns is particularly affected by structural factors such as organizational duplication vis-à-vis ministerial departments and formal rules, but also established trust-relationships.

Government agencies are a vital component of the core executive of states (Dunleavy and Rhodes 1990; Orren and Skowronek 2017; Vibert 2007). In recent decades, however, agency governance has sustained significant transformation, notably through administrative integration across levels of governance (Egeberg 2006; Jacobsson et al. 2015). National agencies are portrayed as being part of both national and federal (e.g., European) politico-administrative orders. In consequence, they are faced with choice architectures that are multiple, overlapping, ambiguous, and sometimes incompatible—in short: turbulent (Ansell et al. 2017, 1; Easton 1965; Gunnell 2011; Miller 1971). Turbulence challenges conventional wisdom on the conditions for agency governance in situations where events, demands, and support interact and change in highly variable, inconsistent, unexpected, or unpredictable ways (Ansell and Trondal 2018). Subsequently, turbulence creates novel dilemmas for public organizations and are likely to push government agencies to make difficult tradeoffs, pulling them in contradictory, even paradoxical, directions.

What choices do government agencies make when subject to contending influences on how to

maneuver? How do government officials choose when embedded in what Woodrow Wilson (1887, 221) described as “systems within systems” that provide conflictual premises for choice? Traditionally, public administration has been seen as based upon a series of dichotomies: politics versus administration, coordination versus fragmentation, integration versus disintegration, trust versus distrust, loose versus tight coupling, etc. (Egeberg and Trondal 2016; Olsen 2008; Orton and Weick 1990; Trein et al. 2020). In contrast, this article conceptualizes and empirically demonstrates how government agencies are driven by a pragmatist compound dynamic characterized by the co-existence of multiple premises and seemingly incompatible dilemmas (Ansell and Trondal 2018). The study makes two key contributions:

- First, it outlines two complementary conceptual images of agency governance: a conventional dyadic approach that offers a “zero-sum” conjecture that public administration runs in dichotomous domains, and secondly a compound approach suggesting that public governance is “positive-sum” in which agency

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officials evoke compound behavior, characterized by the co-existence of multiple premises and seemingly incompatible dilemmas. These images, moreover, derive distinct propositions as to how government agencies are likely to maneuver when embedded in integrated multilevel administrative orders such as the European Union (EU). The article also suggests conditions that may bias these conceptual images.

- Secondly, the empirical validity and robustness of these conceptual images are tested on a novel large- N survey dataset ($N = 1,963$) on agency officials embedded in two parallel politico-administrative systems: the central administration of a unitary state (Norway) and the administrative system of a quasi-federal order (the EU). The study applies a comprehensive dataset consisting of 47 government agencies tasked with, amongst others, regulating and implementing public policy. The analysis demonstrates that agency officials feature pragmatist compound behavior characterized by compromises and abilities to navigate conflicting concerns—such as those of domestic governments and EU-level institutions. Secondly, the analysis probes the robustness of these conceptual images by entering moderator variables. Multiplicative interaction model analysis suggests that this dilemma is mediated through, and conditioned by pre-existing institutions, practices, and traditions (e.g., Bauer and Trondal 2015; Olsen 2008). However, this analysis suggests that the compound image of agency governance is robust since no moderator variables fundamentally transform relationships from one governance type to another.

Agency governance in integrated administrative systems calls upon agency officials to choose or balance competing concerns from different institutions. Integrated administrative systems produce ambiguity about what problems, solutions, and consequences to attend to at any time, and what actors are deemed legitimate and efficient (Ansell, Trondal, and Ogaard 2017; Schmidt 2018). Agency officials who are engaged in two parallel domains of executive governance may experience opportunities and constraints because different institutions send different information, signals, and mandates (Dehousse 2008; Egeberg and Jarle 2018). The article thus contributes to a mounting literature on the changing role of public governance in an integrated multilevel European executive order (Bauer and Trondal 2015; Goetz and Meyer-Sahlin 2008; Heidbreder 2011; Hofmann 2008; Trondal 2010). This literature has been preoccupied with understanding emergence and design of EU-level agencies (Christensen and Nielsen 2010; David 2011; Egeberg and Jarle 2017; Groenleer 2009; Rittberger and Wonka 2011), the interconnected nature of EU-level and national-level agencies (Bach and Ruffing 2018; Curtin and Egeberg 2008; Egeberg and Jarle 2018; Maggetti 2014; Trein and Maggetti 2018), and implications on agency autonomy in the policy formulation process (Bach and Ruffing 2013; Bach, Ruffing, and Yesilkagit 2015) and policy implementation (Egeberg and Trondal 2009). This literature has so far described how the European administrative system represents a multilevel and nested network administration (e.g., Bach and Ruffing 2018) where administrative bodies at different levels of government “are linked together in the performance of tasks [...]” (Hofmann and Turk 2006, 583).

Studying how domestic government agencies adapt to the EU is important for two reasons. First, domestic public administration is

crucial to the implementation and practicing of EU jurisprudence (Egeberg and Trondal 2009). Because the transposition of EU law remains an administrative process relatively isolated from political actors, it is essential to understand the prospects of uniform implementation of federal (EU) law by agencies. Secondly, domestic decision-making processes are crucial parts of federal policy-making since they are intertwined with the multilevel choice architectures of the EU, notably the European Commission and EU agencies (e.g., Groenleer 2009). However, one challenge plaguing contemporary scholarship is how to understand the role of public agencies in the governing of a deeply integrated (yet differentiated) EU multilevel system. A recent review of EU agency literature (Egeberg and Jarle 2017) argued that few studies have examined how agencification at one level of governance affects public governance at another, and thus how shifting features of the state, such as agencification and subsequent networking of agencies, influence democratic governance (but see Danielsen and Yesilkagit 2014; Egeberg 2006; Egeberg and Trondal 2016; Vantaggiato 2019; Verhoest et al. 2012). Whereas existing literature has mapped patterns of agencification, less is known of the actual role of national agencies in the multilevel policy-making process in the EU generally, and how they navigate in conflicting choice architectures—such as those of domestic governments and EU-level institutions. This study offers a novel contribution to this diverse literature by examining how domestic agency officials maneuver in a multilevel European administrative order.

The study proceeds as follows: The next section outlines a conceptual framework for analysis and propositions for empirical enquiry. The subsequent sections include data and methodology as well as an empirical analysis. The concluding discussion summarizes key findings and reflects on their wider implications to this body of literature.

A Two-Step Conceptual Framework

This section proceeds in two steps. The first step outlines conceptual images of agency governance: a dyadic and a compound approach. The second step suggests how moderator variables might bias agency governance towards either of the two. Organizationally, government agencies represent vertical fragmentation of polity and a supply of administrative capacities to solve regulatory challenges (Bach, Ruffing, and Yesilkagit 2015). They are organizational compromises that balance the need for political steering, professional autonomy, and technical regulation (Christensen and Nielsen 2010). Organizing government agencies at arm’s length from their parent ministries allows them to operate relatively insulated from political steering, yet it also makes them more exposed to “capture” from EU-level institutions and processes (Egeberg and Jarle 2017). The latter implies that EU-level institutions employ national agencies in the policy processes, for example by involving them directly into policy formulation and policy implementation (“direct” administration). This section derives two conceptual images of agency governance that derive distinct predictions on how agencies are likely to maneuver when embedded in integrated multilevel administrative orders.

Step I: Conceptual Images of Agency Governance

This section expands on two ideas from public administration literature that make distinctive forecasts for agency governance.

Image I: *A dyadic image of agency governance* builds on the conventional “zero-sum” conjecture that public administration is based upon a series of dichotomies, such as politics versus administration, coordination versus fragmentation, and integration versus disintegration (Ansell and Trondal 2018; Cohen, March, and Olsen 1972; Egeberg and Trondal 2016; Orton and Weick 1990; Rosenau 1990; Waldo 1952; Wilson 1887, 221). Turbulence, hybridity, and ambiguity are thus understood to be dysfunctional to governance—that is, as exceptional, dangerous, or contradictory (Ansell, Trondal, and Ogaard 2017). In this light, turbulence is seen to push organizations and institutions to their limits and threaten surprising cascading dynamics that undermine the sustainability of existing governance arrangements (Vigoda-Gadot and Mizrahi 2014). Or it might produce maladaptive behaviors that trap governance into suboptimal outcomes. From this perspective, the emphasis is generally not how governing institutions manage turbulence, but how they aim to withstand, stabilize, and/or ultimately solve it (Ansell and Trondal 2018).

This conceptual image builds on recent studies suggesting how agencies face incompatible coordination dilemmas in which competing demands undermine one another (Egeberg and Trondal 2016). The ambition of strong coordination of governance processes at one level of government is seen as incompatible with strong coordination of governance processes across levels. For example, strong steering of domestic agencies from the domestic political leadership is arguable adversely related with strong steering from the EU level. Strong coordination by the European Commission vis-à-vis domestic government agencies is expected to undermine ministerial political control. In general, Image I suggests how turbulence generates ambiguities in assessing “good” governance solutions (Grindle 2017) and highlights challenges attached to “nationally embedding a supranational project” since domestic agencies are unable to be strongly embedded both nationally and federally (e.g., supranationally) at the same time (Bulmer and Joseph 2016, 738).

In the same vein, Image I underscores how “better coordination” becomes difficult when public administration becomes embedded in multilevel structures. Recent administrative doctrines have shared a near-universal agreement on the desirability of “better coordination” and executive center formation (Lægneid et al. 2014). Image I, however, assumes that it is impossible to combine strong coordination processes at one level of government with simultaneous strong coordination across levels. The multilevel EU polity is a case in point: the EU relies heavily on “indirect administration” to implement policy within member-states and affiliated states, meaning that policy implementation is ultimately controlled by national political leadership and not by EU institutions. Effectively, this implies relatively weak coordination across levels, and stronger coordination within each level (e.g., nation-states). Conversely, poor national coordination may be a prerequisite for advancing the wider “European cause,” as evidenced for example by Wessels (1997). Poor national coordination is thus not merely a “management deficit” (Metcalf 1994) but rather a requirement for coordination and steering across levels.

The tension between policy coordination across levels of government and national coordination has been well known in

federal states and central–local relations within unitary states (Fossum and Jachtenfuchs 2017). It has been less recognized in the study of public administration. In this context, the coordination “dilemma” between and within levels of government emerges when national agencies become co-opted and employed as administrative infrastructure for EU bodies (Trondal and Guy Peters 2013). Consequently, national agencies may find themselves in situations where they are subject to conflicting demands and expectations from two different levels of government. Image I suggests that that agencies inevitably adopt to one side over the other. The following proposition is derived:

PI: Strong administrative integration across levels of governance makes national-level steering less likely, and so we expect significant negative correlations between EU-level and national-level coordination and steering.

Image II: *A compound image of agency governance* contends that public governance is “positive-sum” by involving multiple actors, co-evolving resources, governing logics, and dynamics (Olsen 2017; Trondal et al. 2010). Image II thus sees turbulence as a condition and an inherent trait of public governance, rather than a dysfunction (Ansell and Trondal 2018; Howlett and Mukherjee 2018). This image also sees governance processes as continuums rather than dichotomies. The general observation made by Ansell et al. (Ansell, Trondal, and Ogaard 2017, 8) entails that turbulence can be “[an] almost a constitutive part of the institutional fabric” in organizational structures and cultures. A similar argument was made by Lijphart (Lijphart 1968, 104), who characterized Dutch politics as consociational in which actors and institutions were “willing and capable of bridging the gaps between the mutually isolated blocs and of resolving serious disputes in a largely nonconsensual context.” Similar ideas linger in contemporary literature on differentiated European (dis)integration, in which differentiation is seen as a condition for EU governance (Fossum 2019a).

If embedded complexity and contestation is understood to be a condition of agency governance, one necessary implication is that efficient and effective governing institutions must manage turbulence as a condition for the policy process and tolerate ambiguity as part of the governing process (Orren and Skowronek 2017, 91). Public governance, consequently, must be analyzed on the basis of continuous rather than dichotomous variables (Ansell et al. Ansell, Trondal, and Ogaard 2017). In this light, public administration has been pictured as hybrid and compound (Emery and Giauque 2014), reflecting how public administration often relates to larger political orders (Olsen 2018). The idea of the compound administration responds to calls for going beyond “the tyranny of dichotomies” and study “mixed political orders blending different forms of governance and organization” (Olsen 2008, 5,6). Public administration is engaged in co-evolving worlds of executive governance, for example when national agencies take on multiple roles or “hats” when practicing EU law (Egeberg and Jarle 2018). Similarly, a vast body of literature has pictured executive governance as characterized by the co-existence of institutions, decision-making dynamics, and levels of authority (Christensen and Lægneid 2008; Hooghe and Marks 2016; Mathieu and Rangoni 2019; Olsen 2007). Accordingly, public

administration faces complex and intertwined problems, solutions, actors, and decision-making arenas (Olsen 2007; Shapiro et al. Shapiro 2006). Domestic agencies' handling of EU affairs is thus perhaps best conceptualized as compound processes in which they mobilize a multi-dimensional repertoire.

This idea follows a classical tradition in the study of public administration which argues that administrative systems tend to balance several competing concerns (e.g., Olsen 2007) and that public governance rests on the mobilization of multiple sets of institutions, resources, interests, values, norms, and cleavages of conflict (Pollitt 2016; Rokkan 1999). Cyert and March (1963), for example, suggest three institutional mechanisms for how a firm may cope with situations of turbulence: through local rationalities, through acceptable-level decision rules, and through sequential attention to goals. Moreover, Egeberg and Jarle (2018) emphasize that public governance is biased by the institutional structures of government. Translated to this context, it is assumed that problem-solving by government agencies is influenced by their organizational design and "choice architectures," ultimately biasing issue attention and prioritization (Bark and Bell 2019; Egeberg and Jarle 2018; Jones and Baumgartner 2005; Thaler and Sunstein 2009). The compound structure of government agencies is thus likely to incite equally compound behavior, meaning that agency officials opt to pragmatically combine seemingly conflicting demands and concerns in their everyday affairs (Egeberg and Jarle 2018; Jann and Wegrich 2019). One general proposition follows:

P2: Strong administrative integration across levels of governance is not likely to undermine national-level steering but lead to agencies balancing the concerns of national and EU-level concerns, and so we expect significant positive correlations between EU-level and national-level coordination and steering.

Step II: Interaction Effects

This section suggests that the relative weight of conceptual Image I or II might be conditioned by intervening variables in which third variables affect the relationship between dependent and independent variables. Building on recent empirical studies in public governance literature (see Egeberg and Jarle 2018), this section specifies five variables that might intervene and bias agency governance towards either Image I or Image II.

- (i) *The degree to which policy fields are generally affected by the EU and the degree to which policy fields require cooperation across levels of governance:* Depending on the policy field and sector, there is substantial variation in the degree to which national agencies are affected by EU institutions and policies that require cooperation across levels of governance. Moderator 1 assumes that exposure to EU-level rules, practices, and institutions may bias national agency officials' perceptions in the importance of the relationship between national (dependent variable) and supranational (independent variable) institutions.
- (ii) *Administrative capacity to ensure coordination and collaboration between relevant actors:* Sufficient administrative capacity indicates capacities to direct attention to public problems, solutions, actors, and decision-making arenas (Egeberg and Trondal 2016; Falkner et al. 2004; Knill and

Hille 2006) both within and across levels of government. Moderator 2 assumes that limited administrative capacities is likely to bias attention towards the immediate environment of institutions (Simon 1957), which in this study is the national government apparatus, whereas sufficient administrative capacities ensures influence from a broader range of institutions, hereunder EU-level institutions. Accordingly, this may bias national agencies' perceived importance of EU-level institutions.

- (iii) *The degree to which there are organizational overlaps between the agency and their parent ministry (organizational duplication):* Studies have found that agencies are more influenced by their parent ministries when they have institutionalized overlapping positions, units, or departments (duplication) (Egeberg and Trondal 2009; Landau 1969; Verhoest et al. 2012). Ministries thereby become better equipped to monitor and discern ongoing activities in the agencies, pulling agencies closer to the political leadership and narrowing their room for discretionary behavior. Moderator 3 thus assumes that organizational duplication will intervene on the relationship between the dependent and independent variables, biasing national agencies towards national politico-administrative institutions.
- (iv) *The degree to which there are clear and established formal rules on how to conduct tasks:* Less formalized, loosely coupled decision-making premises are argued to increase flexibility and room for discretionary behavior (March and Olsen 1976; Orton and Weick 1990). By contrast, national agencies that are subject to clear and established formal rules at national level are likely to face weaker room of discretion. Moderator 4 suggests that agencies that are subject to weak and less established formal rules are likely to report strong attachments towards EU-level institutions.
- (v) *Perceived trust between own agency and parent ministry:* Trust is, as Ruscio (1996, 461) points out, "central to legitimate democratic government, to the formation of public policy, and to its implementation." Regarding trust in public institutions, the main argument for its pivotal relevance is its ability to ensure compliance without coercion, in particular in cases where enforcement mechanisms are restricted, and risks thus are involved (Chanley, Rudolph, and Rahn 2000; Scholz and Pinney 1995). Related to this study, moderator 5 suggests that when trust-relationships are generally high between agencies and their parent ministry, agencies are less likely to report strong attachment towards EU-level institutions.

Data and Methodology

The dataset covers by far the most integrated non-member of the EU (Norway). Like most core executives, the Norwegian central administration is organized into core-executive ministries and subordinated agencies. It thereby mirrors the EU administrative system consisting of horizontally specialized Directorates-General with subordinate agencies. The Norwegian central administration is characterized by ministerial primacy where subordinated agencies are subject to political control and administrative accountability from the responsible minister and not primarily from a government collegium. Whilst Norwegian ministries are secretariats for the political leadership with planning and coordinating functions

(Christensen and Lægred 2008), agencies are mainly responsible for advising ministries and being technical helpers but are also essential ingredients in the political processes of preparing policies and implementing and administering policies. Norway is not a formal EU member but is closely affiliated through more than 70 agreements, most notably the European Economic Area (EEA) agreement and the Schengen agreement (Egeberg and Trondal 1999; Fossum and Graver 2018). Through these agreements, Norway is granted privileged access to most parts of the EU administration,ⁱ which in turn largely opens for administrative integration on the same premises as formal EU member-states (Fossum 2019b). Consequently, despite a lack of political representation in the (EU) Council and the European Parliament, the Norwegian executive branch of government is tightly integrated with, and influenced by, the EU-level administrative institutions (Egeberg 2006; Kühn and Trondal 2018). Norway's relationship with the EU may thus best be regarded as territorially dis-integrated but sectorally integrated, making Norway a generalizable case of administrative integration.

The study benefits from a unique large-*N* questionnaire survey that was recently (2016) completed at the agency level in the Norwegian central administration (*N* = 1,963 respondents in 47 agencies). One-third of the total population of agency officials were selected for the survey. This limitation was pragmatically made due to the extensive number of agency officials (approximately 16,400 in total). Moreover, the respondents were selected based on two main criteria: (a) they are "A-level" officials, implying that they have acquired a university degree, and (b) they have minimum one year of experience in their current position. The surveys were conducted as online surveys by the Norwegian Social Science Data Service. The

overall response rate is around 60 percent. The survey represents the most thorough screening of the Norwegian central administration, and probably one of the most comprehensive datasets on public governance in national government administrations worldwide (see also Geuijen et al. 2008). The questionnaire addresses a variety of aspects relating to, amongst others, the role and function of civil servants, distribution of power, patterns of contact, coordination, identification, and demographic backgrounds. Table 1 presents the independent and dependent variables of the study, including moderators. The empirical analysis applies importance of (various) institutions as measurement of the alleged steering dilemma. Two proxies are applied as dependent variables and two as independent variables.

To empirically evaluate and explore the theoretical propositions explicated above, we use a two-step procedure. First, we explore pairwise correlations within and across several variables clustered at both the national level and EU level. Interpreting bivariate correlations singularly does not suffice to evaluate whether agency governance is mainly dyadic or compound. In addition, one needs to look at the broader picture and assess patterns of correlations within and between levels simultaneously. As outlined in the theoretical section, strong positive bivariate correlations across levels of governance indicate compound agency governance. However, this inference will be weakened, or appear arbitrary, if similar correlation patterns are not consistent for other pairs of variables across levels, or even if variables within levels correlate negatively. Likewise, while strong negative correlations between variables across national and EU levels correspond with a dyadic pattern, such an inference is more convincing if these correlations coexist with

TABLE 1 Descriptive Statistics: Dependent, Independent, and Moderator Variables*

	<i>N</i> **	Value - Max.	Value - Min.	Value - Do not know	Mean***	St.dev.***
Dependent variables						
Importance of parent ministry when central decisions within your policy field are being made	1,178 (1,233)	1 – Very important	5 – Not important	6 – 55	1.7	1
Importance of government when central decisions in your policy field are made	1,035 (1,235)	1 – Very important	5 – Not important	6 – 200	2.1	1.2
Independent variables						
Importance of the Commission when central decisions in your policy field are made	751 (1,236)	1 – Very important	5 – Not important	6 – 485	3.2	1.3
Importance of EU agencies when central decisions in your policy field are made	670 (1,234)	1 – Very important	5 – Not important	6 – 564	3.5	1.3
Moderators						
Degree to which own policy field is affected by EU/EEA/Schengen	1,374	1 – To a very large extent	5 – Not affected	–	3.2	1.5
Administrative capacity to ensure coordination and collaboration between relevant actors	1,536 (1,686)	1 – Very good	5 – Very poor	6 – 150	2.6	0.9
Degree to which there are clear and established formal rules on how to conduct tasks****	1,722 (–)	1 – Very clear rules	5 – Rely on own judgement to a very large extent	–	2.6	1.1
Organizational duplication*****	1,462	1 – Departments	4 – No organizational duplication	–	2.2	1.1
Perceived trust between own agency and parent ministry	1,169 (1,240)	1 – Very high	5 – Very poor	6 – 71	1.9	0.8
Degree of politicization of own policy field	1,232	1 – To a very large extent	5 – To a very small extent	–	2.7	1.2

*Missing values not included.

**Includes only values 1–5 (includes value 6 in parenthesis).

***Includes only value 1–5.

****This variable is 5-scaled: (1) very large degree of formal rules, (2) large degree of formal rules, (3) neutral, (4) rely on own judgement to a fairly large extent, and (5) rely on own judgement to a very large extent.

*****This variable is 4-scaled: (1) departments, (2) sections, (3) positions, and (4) no organizational duplication.

positive within-level correlations. If, on the other hand, correlations both within and across levels are strongly negative, the results would be indeterminate in supporting the regularity of a dyadic pattern. Table 2 illustrates this complexity and thus the need to look at broader patterns of correlations. More particularly, table 2 maps four patterns of pairwise correlations between variables within and across levels, of which two accentuate the ideal-type patterns for compound and dyadic governance, respectively.

A clear compound governance pattern thus emerges where positive correlations are visible both across and within levels. In a similar vein, a clear dyadic pattern becomes visible when correlations across levels are consistently negative whilst correlations within levels are predominantly positive. Unfortunately, the terrain does not always fit the map. The complexity of interpreting correlational patterns thus increases with the emergence of low or non-significant correlations, within and/or across levels. In such instances, it becomes difficult to determine if a hypothesized strong correlation combined with low or no correlation are pointing towards compound or dyadic tendencies.

One way of taking this complexity into account is to assess the dynamic and conditional nature of agency governance within the confines of a regression analysis. The next step is thus to explore the relationship between national-level and EU-level variables using a classic multiplicative interaction model as a framework for the analysis:

$$Y = \beta_0 + \beta X + \beta Z + \beta(XZ) + \varepsilon$$

Following the advice of Brambor, Clark, and Golder (2006), all constitutive terms are included in the model alongside the interaction term. The outcome variable Y is the perceived importance of institutions at the national level, while the key independent variable X is perceived importance of EU-level institutions. The moderator variable Z is included to investigate whether, or to what extent, the strength and/or direction of the relationship between X and Y is conditional, that is, varies with the level of Z . In other words, a multiplicative interaction model enables us to explore whether compound or dyadic tendencies may emerge under different institutional contexts, or, alternatively, whether a relationship is stable across various conditions or contexts. As such, the aim of the analysis is not to explain as much variance as possible but rather to investigate and reveal conditions under which a relationship between an outcome and an independent variable unfolds. Caution is thus warranted when interpreting the coefficients of the independent variables, in terms of both effect sizes and statistical significance. That statistical significance does not equate to substantive significance (Bernardi, Chakaia, and Leopold 2017; Ziliak and McCloskey 2008) is especially the case when evaluating conditional hypotheses. A coefficient, significant or not, only captures the effect of X on Y when Z is zero. As the effect size and its significance vary across levels of the moderator

Z , the coefficients must not be misinterpreted as unconditional marginal effects. To examine the conditional nature of the effects, the interactions effects will be plotted graphically for illustrative and interpretative purposes.

When using survey questionnaire as a method for collecting data from the same respondent on both the dependent and independent variables, there is also the risk that common method variance (CMV) will bias the results of empirical analysis (Jakobsen and Jensen 2015). Estimated effects may be inflated, or deflated, due to systematic variance shared among the variables. While bivariate linear relationships are more prone to being influenced by CMV, it is less of an issue in more complex regression models involving multiple independent variables and particularly interaction effects. The presence of CMV cannot create interaction effects, only attenuate them (Siemsen, Roth, and Oliveira 2010). As such, “empirical researchers should not be criticized for CMV if the main purpose of their study is to establish interaction effects,” and, if anything, “finding significant interaction effects despite the influence of CMV in the data set should be taken as strong evidence that an interaction effect exists” (Siemsen, Roth, and Oliveira 2010, 470). Although not being conclusive, a Harman single-factor test was conducted to detect whether, or to what extent, variance in the data can be attributed to a single factor (Thesen et al. Tehseen, Ramayah, and Sajilan 2017). The test revealed a first factor capturing only 22 percent of the total variance, and a total of 28 factors with an eigenvalue above 1, both of which suggest that CMV is not a pervasive issue.

Violating the homoskedasticity assumption of regression may invalidate statistical inferences by increasing the risk of making a type 1 error (Hayes and Cai 2007). Since a Breusch–Pagan test revealed the presence of heteroskedasticity in the error terms, a heteroskedasticity-consistent standard error (HCSE) estimator was used in estimating the OLS regression parameters. In practice, this makes it more difficult for the coefficients to pass the significance test.

National Agencies in a Dual Administrative System: Choose One or Do Both?

Table 3 makes a test of whether agency governance is mainly dyadic or compound by studying bivariate correlations between ascribed importance to various institutions at the national and at the EU level. Three observations are made: First, we find strong, positive, and significant correlations between the ascribed importance of EU-level institutions, with all the correlations being well above 0.700. Not surprisingly, the highest correlation in this group is between political institutions at the EU level, namely the European Parliament and the (EU) Council (correlation of 0.918). Secondly, we also find strong, positive, and significant correlations between ascribed importance of institutions at the national level, albeit not as high as in the EU-level cluster. Among national-level institutions, the correlation between the government and the national parliament stands out as highest (correlation of 0.841). This is followed by

TABLE 2 Patterns of Pairwise Correlations

	Compound 1	Indeterminate 2	Dyadic 3	Indeterminate 4
Within-level correlation	Positive	Negative	Positive	Negative
Across-level correlation	Positive	Positive	Negative	Negative

TABLE 3 Inter-correlation Matrix on the Importance of Institutions. Pearson's *r*

	1.	2.	3.	4.	5.	6.	7.	8.	9.
1. Own organization	1								
2. Parent ministry	0.458**	1							
3. Other ministries	0.218**	0.329**	1						
4. National Parliament	0.238**	0.494**	0.309**	1					
5. Government	0.238**	0.533**	0.335**	0.841**	1				
6. EU Commission	0.030	0.093*	0.124**	0.196**	0.142**	1			
7. EU agencies	0.015	0.079	0.103**	0.151**	0.116**	0.770**	1		
8. EU Council	0.037	0.176**	0.159**	0.264**	0.214**	0.801**	0.799**	1	
9. EU Parliament	0.026	0.160**	0.156**	0.245**	0.182**	0.767**	0.773**	0.918**	1

*Significant at the 0.05 level (two-tailed).

**Significant at the 0.01 level (two-tailed).

correlation between the government and parent ministry at 0.533. The remaining correlations in this group are also fairly high, ranging from 0.218 to 0.494. If anything, one surprise might be that these correlations are not even stronger. Third and most importantly, the last set of correlations are those across level of governance. Overall, significant correlations are lower than in the two previous groups, yet most are positive and significant. The highest correlation found is between ascribed importance of the national parliament and the Council (0.264). Most of the remaining correlations are significant and positive, yet moderate.

In sum, we may draw two inferences: First, there are relatively strong positive correlations between ascribing importance to institutions at the same level of governance. This relationship is strongest when it comes to EU-level institutions. Moreover, at the national level, agency officials who ascribe importance to own organization are most likely to ascribe importance to own parent ministry while other ministries and political institutions are deemed less important. This observation is largely due to the fact that government agencies are organized at arm's length from their parent ministries, entrusting agencies with room of maneuver from political steering. Such vertical specialization ensures that agencies are situated at relative distance from political institutions. Moreover, horizontal specialization ensures that agencies operating in different policy domains operate in relative isolation from one another. As a consequence, the parent ministry becomes the most important institution for a majority of agency officials. At the EU level, the distinction between administrative and political institutions is less clear to domestic agency officials, although the correlation between the Council and European Parliament stands out (0.918). The second conclusion we can draw is that while we observe relatively strong correlations within each level of government, we observe relatively lower cross-level correlations. Nonetheless, contrary to the conceptual model of Image I, the data do not demonstrate any adverse relationships between governance dynamics across levels. Agency officials may regard both domestic and European institutions as being of importance, yet it is more likely that they favor one set of institutions over the other. Translated into theoretical terms, table 3 is overall in accordance with conceptual Image II, although the insignificant and low cross-level correlation may arguably indicate moderate dyadic tendencies.

While table 3 serves as a starting point in the analysis of the alleged steering dilemma, the succeeding tables 4 to 7 examine conditions that might push agency officials towards dyadic or compound directions. Model 3 and 4 test the relationship between ascribed

importance of own parent ministry (dependent variable 1) and the importance of three independent variables: the importance ascribed to the European Commission, the importance ascribed to EU agencies, and the degree to which own policy area is affected by EEA/EU/Schengen (affectedness), with the list of moderators. Table 5 and 6 test the relationship between the ascribed importance of the government (dependent variable 2) and the same list of independent variables and moderators. Each table contains six models in which we regress the independent variables on seven different moderators.

A first observation is that "affectedness" significantly moderates the impact of the independent variable, suggesting that the effect of the EU-level institutions on agency governance is contingent on the degree to which officials' policy fields are affected by EU/EEA/Schengen. Table 3 shows two significant interaction effects: Administrative capacity is significant, close to the 0.05 level (one-tailed). Moreover, organizational duplication is significant at the 0.05 level (two-tailed). From this we learn that the effect of the European Commission on the parent ministry is dependent on administrative capacity and organizational duplication. Similarly, the data reveal that organizational duplication renders significant interaction effects also in table 4, suggesting that the same holds true for the effect of EU agencies on the parent ministry. Table 5 tests the relationship between the European Commission and the national government, revealing significant interaction effects of trust. This suggests that the effect of the Commission on the national government depends on significant trust-relationships between agencies and their parent ministry, which suggests that national-level trust-relationships within the government apparatus might be an important factor in understanding conditions for multilevel governance. The five remaining moderator variables show no significant effects. Lastly, table 6 reveals that the effect of EU agencies on the national government depends on formal rules and trust, albeit with the latter being merely significant at the 0.05 level in a one-tailed test. Table 8 summarizes selected results by highlighting the significant moderating variables as found across the four main models, where two different dependent variables are regressed on two independent variables, respectively. As illustrated in table 8, tables 4 to 7 reveal four significant moderators. The moderating effect of affectedness is consistent across all models. In addition, organizational duplication, perceived trust, and formal rules are also significant moderators in one or more models.

Graphical plots are needed to further interpret the interaction effects. To illustrate and examine the conditional nature of agency governance, figures 1 to 4 plot the interaction

TABLE 4 Relationship between Perceived Importance of the Commission and the Perceived Importance of Own Parent Ministry (Dependent Variable), with Interaction Effects. Multivariate Regression Models

	Model 1: Cross-level cooperation	Model 2: Administrative capacity	Model 3: Formal rules	Model 4: Organizational duplication	Model 5: Trust
Constant	1.961 (1.574 to 2.348)	1.439 (0.749 to 2.129)	2.163 (1.593 to 2.732)	1.767 (1.210 to 2.324)	1.852 (1.235 to 2.470)
Importance of the Commission	-0.046 (-0.177 to 0.085)	0.081 (-0.122 to 0.284)	-0.081 (-0.255 to 0.093)	-0.143 (-0.314 to 0.027)	-0.051 (-0.237 to 0.134)
Degree to which own policy area is affected by EEA/EU/Schengen (affectedness)	-0.320*** (-0.483 to -0.156)	-0.310*** (-0.476 to -0.145)	-0.324*** (-0.488 to -0.160)	-0.284*** (-0.443 to -0.125)	-0.325*** (-0.491 to -0.159)
Interaction importance of the Commission * affectedness	0.075*** (0.032 to 0.118)	0.077*** (0.033 to 0.120)	0.076*** (0.032 to 0.119)	0.066** (0.024 to 0.108)	0.077*** (0.033 to 0.121)
Administrative capacity to ensure coordination and collaboration between relevant actors (admin capacity)		0.211 (1) (-0.020 to 0.442)			
Interaction importance of the Commission * administrative capacity		-0.059 (1) (-0.123 to 0.005)			
Degree to which there are formal rules on how to conduct tasks (rules)			-0.078 (-0.237 to 0.080)		
Interaction importance of EU * rules			0.015 (-0.030 to 0.059)		
Organizational duplication				0.074 (-0.094 to 0.242)	
Interaction importance of EU * organizational duplication				0.046 (1) (0.000 to 0.092)	
Perceived trust between own agency and parent ministry (trust)					0.080 (-0.178 to 0.337)
Interaction importance of EU Commission * trust					-0.008 (-0.078 to 0.062)

* Significant at the 0.05 level (two-tailed).

** Significant at the 0.01 level (two-tailed).

*** Significant at the 0.001 level (two-tailed).

(1) Significant at the 0.05 level (one-tailed).

TABLE 5 Relationship between Perceived Importance of EU Agencies and the Perceived Importance of Own Parent Ministry (Dependent Variable), with Interaction Effects. Multivariate Regression Models

	Model 1: Cross-level cooperation	Model 2: Administrative capacity	Model 3: Formal rules	Model 4: Organizational duplication	Model 5: Trust
Constant	1.906 (1.468 to 2.344)	1.413 (0.592 to 2.234)	2.080 (1.430 to 2.729)	1.868 (1.223 to 2.512)	1.863 (1.191 to 2.535)
Importance of EU agencies	-0.037 (-0.169 to 0.095)	0.072 (-0.148 to 0.291)	-0.082 (-0.265 to 0.101)	-0.157 (-0.336 to 0.021)	-0.058 (-0.245 to 0.128)
Degree to which own policy area is affected by EEA/EU/Schengen (affectedness)	-0.280** (-0.471 to -0.089)	-0.277** (-0.470 to -0.085)	-0.281*** (-0.473 to -0.089)	-0.256** (-0.443 to -0.070)	-0.263** (-0.458 to -0.068)
Interaction importance of EU agencies * affectedness	0.065** (0.018 to 0.112)	0.069** (0.022 to 0.117)	0.065** (0.018 to 0.112)	0.057** (0.012 to 0.103)	0.060** (0.012 to 0.107)
Administrative capacity to ensure coordination and collaboration between relevant actors (admin capacity)		0.210 (-0.074 to 0.493)			
Interaction importance of EU agencies * administrative capacity		-0.056 (-0.129 to 0.017)			
Degree to which there are formal rules on how to conduct tasks (rules)			-0.069 (-0.258 to 0.119)		
Interaction importance of EU agencies * rules			0.018 (-0.031 to 0.068)		
Organizational duplication				0.013 (-0.189 to 0.215)	
Interaction importance of EU agencies * organizational duplication				0.056 (1) (0.005 to 0.108)	
Perceived trust between own agency and parent ministry (trust)					0.010 (-0.269 to 0.288)
Interaction importance of EU agencies * trust					0.013 (-0.059 to 0.085)

* Significant at the 0.05 level (two-tailed).

** Significant at the 0.01 level (two-tailed).

*** Significant at the 0.001 level (two-tailed).

(1) Significant at the 0.05 level (one-tailed).

TABLE 6 Relationship between Perceived Importance of the Commission and the Perceived Importance of the Government (Dependent Variable), with Interaction Effects. Multivariate Regression Models

	Model 1: Cross-level cooperation	Model 2: Administrative capacity	Model 3: Formal rules	Model 4: Organizational duplication	Model 5: Trust
Constant	2.577 (2.064 to 3.089)	2.305 (1.375 to 3.236)	2.720 (1.966 to 3.474)	1.934 (1.189 to 2.678)	1.843 (1.030 to 2.656)
Importance of the Commission	-0.027 (-0.198 to 0.145)	0.000 (-0.269 to 0.269)	-0.051 (-0.279 to 0.176)	-0.015 (-0.239 to 0.209)	0.157 (-0.083 to 0.398)
Degree to which own policy area is affected by EEA/ EU/Schengen (affectedness)	-0.564*** (-0.776 to -0.353)	-0.560*** (-0.777 to -0.343)	-0.560*** (-0.772 to -0.348)	-0.504*** (-0.713 to -0.296)	-0.576*** (-0.790 to -0.362)
Interaction importance of the Commission * affectedness	0.122*** (0.067 to 0.178)	0.125*** (0.068 to 0.182)	0.119*** (0.064 to 0.175)	0.107*** (0.052 to 0.162)	0.127*** (0.071 to 0.183)
Administrative capacity to ensure coordination and collaboration between relevant actors (admin capacity)		0.121 (-0.186 to 0.429)			
Interaction importance of the Commission * administrative capacity		-0.022 (-0.106 to 0.063)			
Degree to which there are formal rules on how to conduct tasks (rules)			-0.063 (-0.274 to 0.148)		
Interaction importance of EU * rules			0.014 (-0.045 to 0.073)		
Organizational duplication				0.258* (0.033 to 0.486)	
Interaction importance of EU * organizational duplication				0.003 (-0.058 to 0.064)	
Perceived trust between own agency and parent ministry (trust)					0.398* (0.059 to 0.737)
Interaction importance of the Commission * trust					-0.102* (-0.192 to -0.011)

* Significant at the 0.05 level (two-tailed).

** Significant at the 0.001 level (two-tailed).

(1) Significant at the 0.05 level (one-tailed).

TABLE 7 Relationship between Perceived Importance of EU Agencies and Perceived Importance of the Government (Dependent Variable), with Interaction Effects. Multivariate Regression Models

	Model 1: Cross-level cooperation	Model 2: Administrative capacity	Model 3: Formal rules	Model 4: Organizational duplication	Model 5: Trust
Constant	2.575 (1.983 to 3.168)	2.077 (0.972 to 3.182)	3.519 (2.654 to 4.385)	1.591 (0.714 to 2.468)	1.911 (1.023 to 2.800)
Importance of EU agencies	-0.036 (-0.213 to 0.141)	0.032 (-0.261 to 0.325)	-0.277* (-0.518 to -0.036)	0.079 (-0.159 to 0.318)	0.103 (-0.141 to 0.347)
Degree to which own policy area is affected by EEA/ EU/Schengen (affectedness)	-0.516*** (-0.767 to -0.265)	-0.522*** (-0.777 to -0.266)	-0.518*** (-0.768 to -0.269)	-0.454*** (-0.702 to -0.206)	-0.538*** (-0.792 to -0.283)
Interaction importance of EU agencies * affectedness	0.113*** (0.051 to 0.175)	0.118*** (0.055 to 0.181)	0.111*** (0.049 to 0.172)	0.097*** (0.036 to 0.158)	0.121*** (0.058 to 0.183)
Administrative capacity to ensure coordination and collaboration between relevant actors (admin capacity)		0.223 (-0.155 to 0.602)			
Interaction importance of EU agencies * administrative capacity		-0.041 (-0.139 to 0.057)			
Degree to which there are formal rules on how to conduct tasks (rules)			-0.372** (-0.617 to -0.127)		
Interaction importance of EU agencies * rules			0.097** (0.033 to 0.161)		
Organizational duplication				0.415** (0.135 to 0.694)	
Interaction importance of EU agencies * organizational duplication				-0.043 (-0.114 to 0.027)	
Perceived trust between own agency and parent ministry (trust)					0.382* (0.007 to 0.758)
Interaction importance of EU agencies * trust					-0.085 (1) (-0.181 to 0.010)

* Significant at the 0.05 level (two-tailed).

** Significant at the 0.01 level (two-tailed).

*** Significant at the 0.001 level (two-tailed).

(1) Significant at the 0.05 level (one-tailed).

TABLE 8 Summary of Findings*

		Dependent variables	
Significant moderators across models		Importance of parent ministry when central decisions within your policy field are being made	Importance of government when central decisions in your policy field are made
Independent variables	Importance of EU Commission when central decisions in your policy field are made	Figure 1 a) Affectedness b) Duplication	Figure 3 a) Affectedness b) Percieved trust
	Importance of EU agencies when central decisions in your policy field are made	Figure 2 a) Affectedness b) Duplication	Figure 4 a) Affectedness b) Formal rules

*Includes only two-tailed significant values.

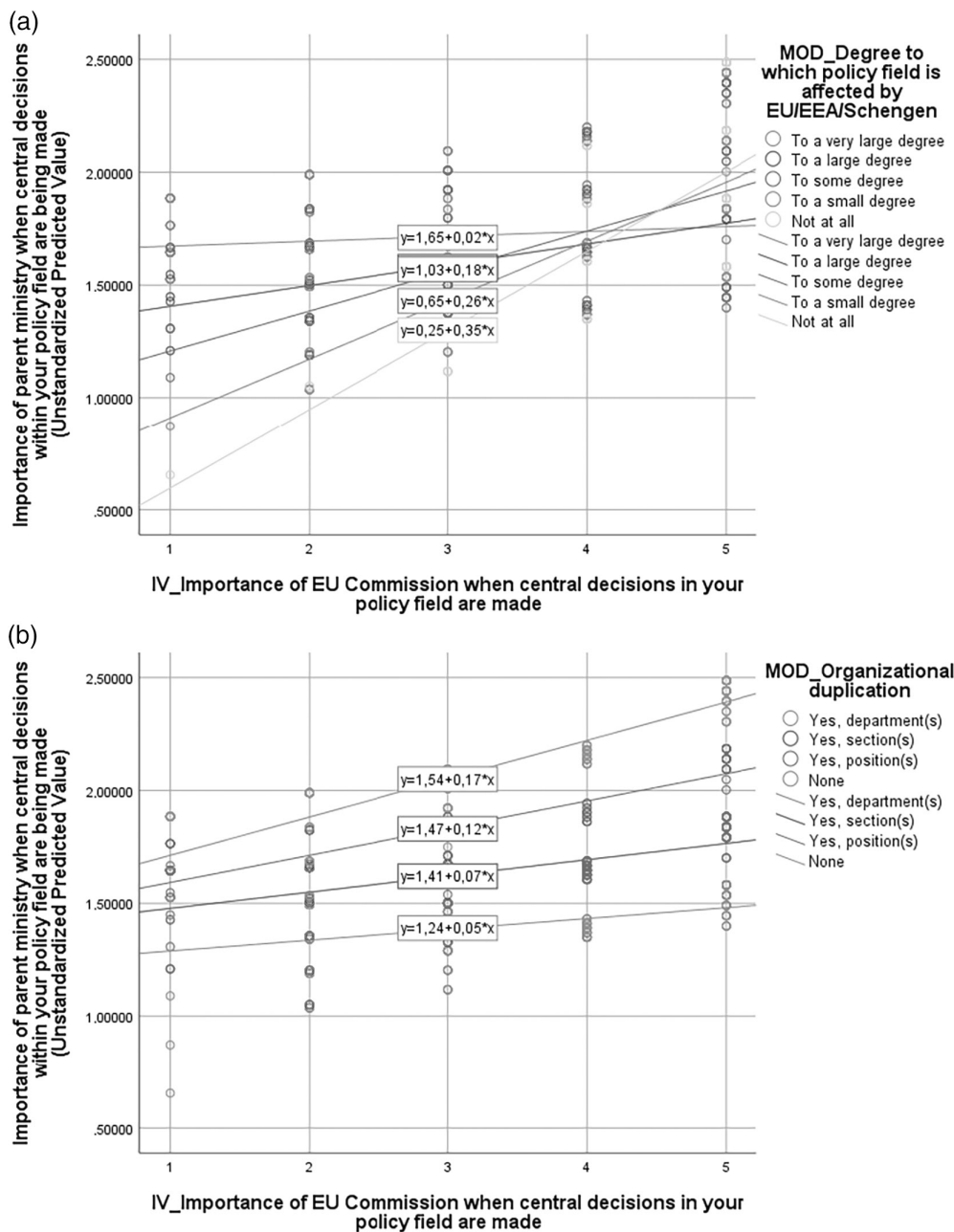


Figure 1 Relationship between Perceived Importance of the Commission and the Perceived Importance of Own Parent Ministry (Dependent Variable), with Interaction Effects.

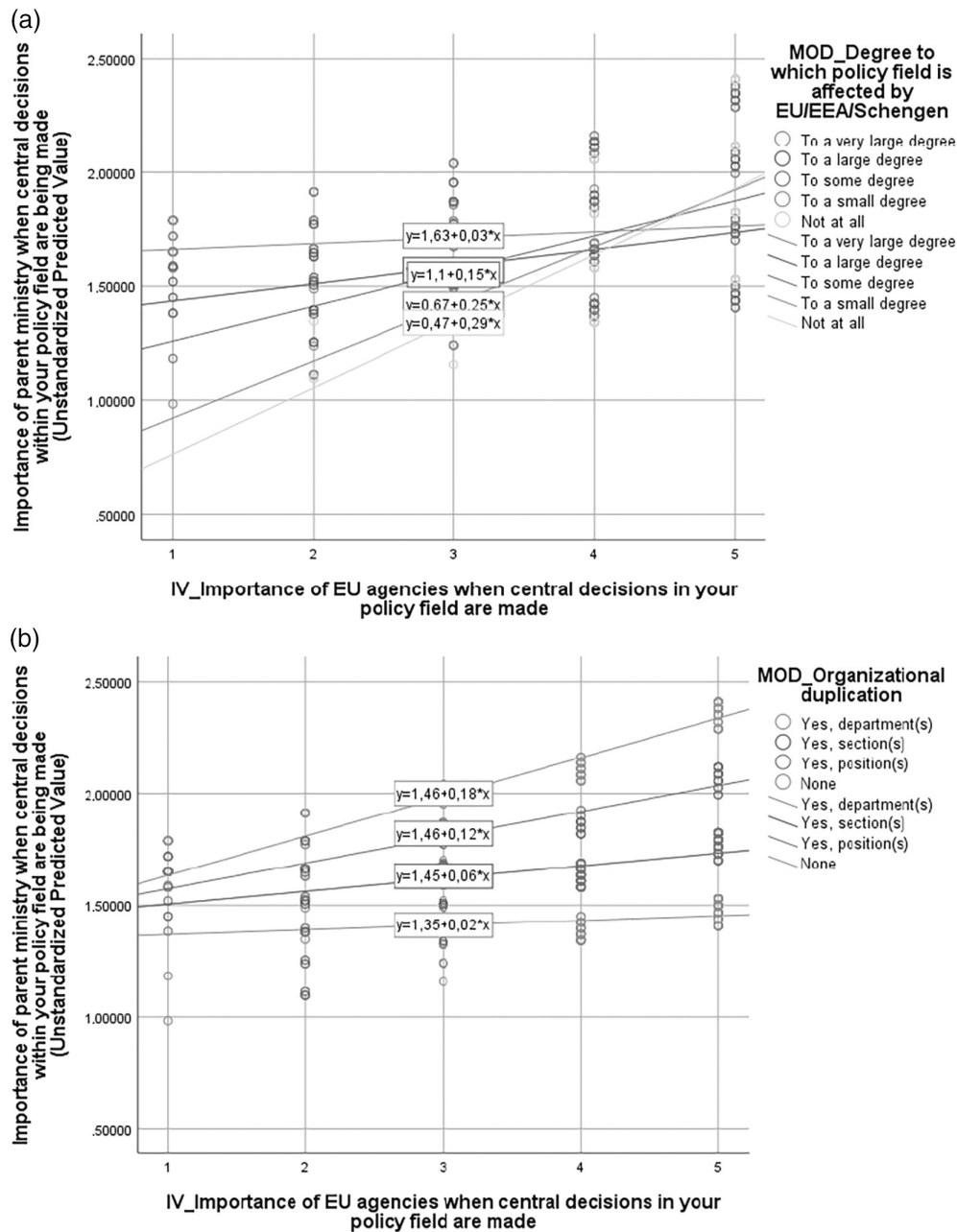


Figure 2 Relationship between Perceived Importance of EU Agencies and the Perceived Importance of Own Parent Ministry (Dependent Variable), with Interaction Effects.

effects from tables 4 to 7. As the plotted lines in figures 1 to 4 suggest, the relationship between the dependent variables and the independent variables varies across categories of the moderating variables. Each line represents the relationship within a category. Interactions occur whenever lines are not parallel. Lines that do not run parallel may indicate significant and thus important interactions in which a compound or dyadic tendency is amplified or muted. Moreover, if lines are cross-cutting to the extent that they point in different directions, a relationship may change diametrically, from compound to dyadic (or vice versa) within the categories of the moderating variable. To be specific, a compound pattern is recognized by lines pointing upwards, which indicates a positive relationship, while lines pointing downwards reflect a negative relationship conforming to a dyadic pattern. Figures 1a and b are graphical

illustrations of the moderating effects of affectedness and organizational duplication, respectively.

Figure 1a illustrates how the relationship between the importance ascribed to the parent ministry and the European Commission varies across the range of degrees in affectedness. Crossing lines illustrate a significant interaction effect. As the lines demonstrate, a more compound relationship emerges as affectedness decreases. And likewise, the compound image decreases as affectedness increases. From this we may infer that the effect of EU-level institutions is conditioned by the degree of affectedness. Figure 1b demonstrates the moderating effect of organizational duplication. While the interaction is less prominent, the lines illustrate that a compound pattern emerges as duplication increases. This indicates that increasing the degree

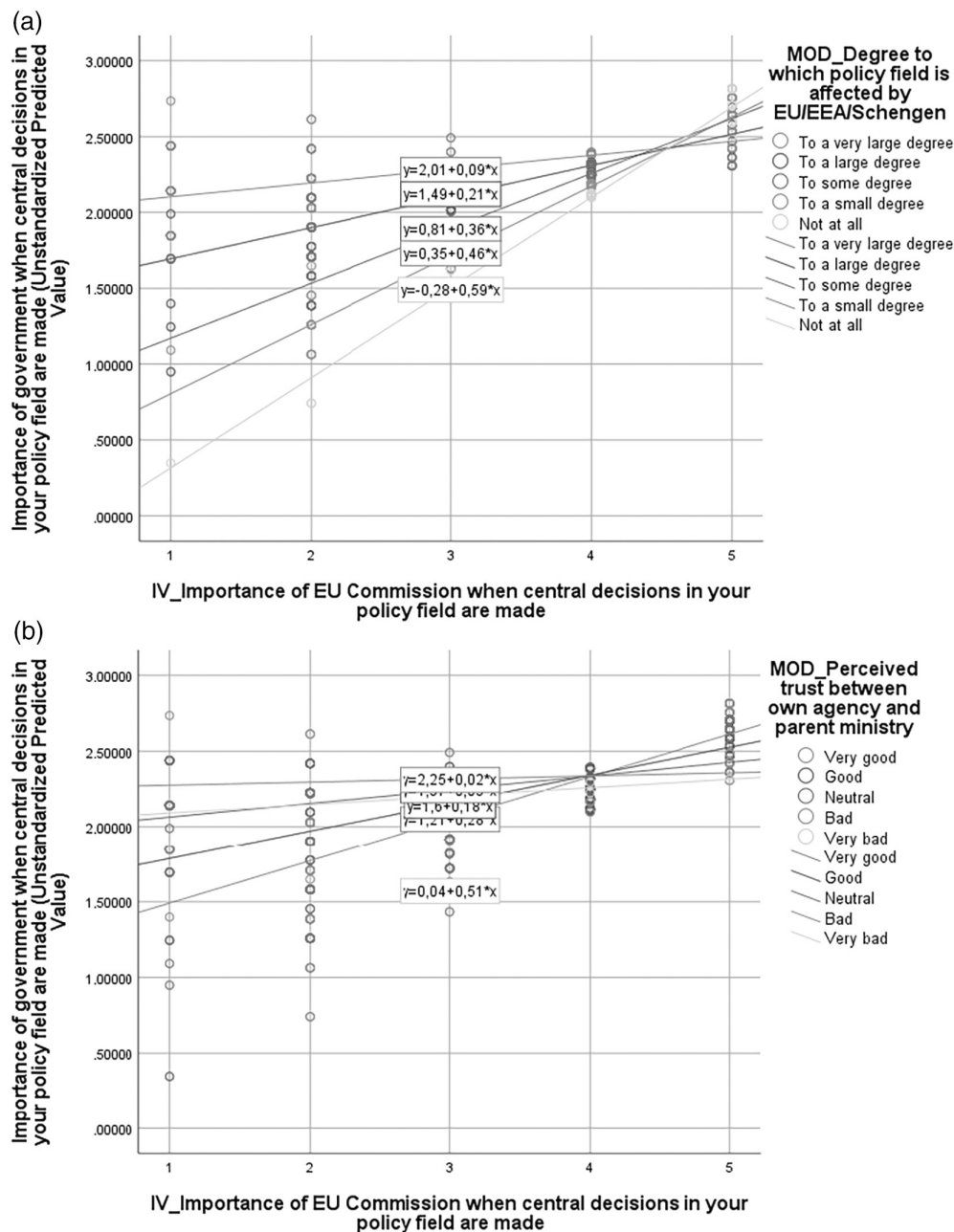


Figure 3 Relationship between Perceived Importance of the Commission and the Perceived Importance of the Government (Dependent Variable), With Interaction Effects.

of organizational duplication also increases the agencies' ability to act according to a compound dynamic.

Figures 2a and b demonstrate that the previous findings are robust also on the perceived importance of EU agencies as dependent variable. Still, the interaction effects remain almost identical. As perceived affectedness increases, the relationship becomes less compound. And likewise, organizational duplication reinforces the compound pattern.

Although less evident, the moderating effect of affectedness remains identical when the dependent variable is changed to perceived importance of government: The compound pattern still decreases as affectedness increases. Another moderator that

becomes significant is perceived trust between the own agency and the parent ministry. As the lines illustrate, a compound tendency becomes more evident as trust increases. Among those reporting lower levels of trust, the relationship weakens. This indicates that higher levels of trust between agencies and ministries increase the stronghold of Image II.

Finally, when plotting the relationship between perceived importance of EU agencies and the perceived importance of the government, the moderating effect of affectedness is still robust. The compound pattern becomes more evident as affectedness decreases. The fourth moderator that turns out to be significant is the degree to which agency officials report clear and formal rules on how to conduct tasks. In this context, a compound pattern is evident when

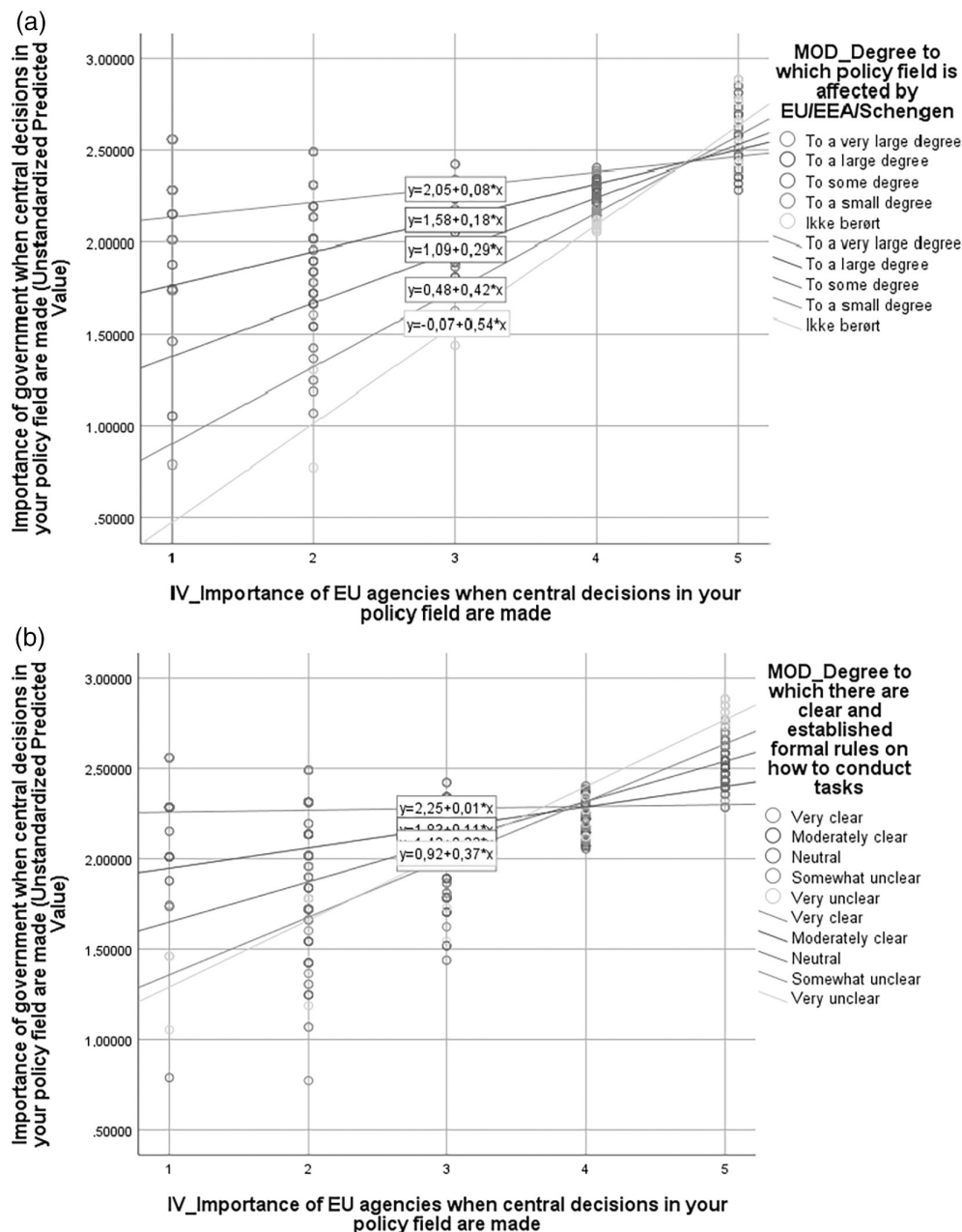


Figure 4 Relationship between Perceived Importance of EU agencies and Perceived Importance of the Government (Dependent Variable), with Interaction Effects.

clear and established rules are present. Where rules are established in the relationship, a compound tendency tends to diminish.

Discussion and Conclusion

If turbulence is a new normal for public administration and governance, we need analytical categories for understanding implications and possible responses. This study elaborates such an analytical framework and probes how government agencies tend to respond. Two response patterns are analyzed: a dyadic and a compound approach.

In situations of turbulence, governments may be faced with the choice of integration or disintegration. Governments may choose a strategy of managing turbulence through integration, such as incorporation of agencies into government ministries, or they may

opt for differentiation by for example decentralizing power to agencies. At the extreme of integration, we expect unitary vertically integrated organizations with divisions, and as we move to the other extreme of the differentiation, we expect a proliferation of smaller specialized organizations. At both extremes, the logic is one of “pure types” of organizations, as captured by the dyadic approach to agency governance (Image I). Alternatively, under turbulent conditions we may expect government agencies to be pulled in both directions as characterized by the compound approach (Image II). The dilemma in this second approach might be addressed through hybrid strategies. Hybrid structures may combine components from various organizational forms or institutional logics, bridge across functional domains, or mix characteristics of state, market, and civil society (Ansell, Trondal, and Ogard 2017; Battilana and Lee 2014; Brandsen and Karré 2011; Minkoff 2002; Skelcher

and Smith 2015). Hybridity helps to create structural flexibility necessary to respond to competing and varied demand. It takes advantage of the heterogeneity and pluralism of institutional environments (Kraatz and Block 2008), treating organizational forms as building blocks that can be combined in various ways (Battilana and Lee 2014).

Hybridity as a response to turbulence may be particularly important for addressing turbulence created by multilevel governance (Hooghe and Marks 2001) and the “wicked problems” it can produce (Conklin 2006). Hybrid organizations are often improvisational solutions to the governance dilemmas created by complex institutional ecologies (see Lægreid et al. 2014, 4), albeit only incomplete when government organizations are embedded in integrated administrative systems. Beyond structural measures and beyond the discussion of this study, hybrid solutions may be supported by softer measures, such as re-establishing “common ethics” and “cohesive cultures” in public governance (Christensen and Lægreid 2011). To be sustainable, hybrid organizations may forge common identity that transcends different logics or forms (Battilana and Dorado 2010).

This study has outlined a framework for analyzing agency governance in integrated administrative systems. Empirically, the data convey a hybrid pattern of compound agency governance processes under these conditions. Moreover, the compound image of agency governance is shown to be robust since no moderator variables are able to fundamentally change relationships from one governance type to another. The findings align with recent studies that have shown the compound roles of public agencies and their staff (e.g., Bach and Ruffing 2013; Egeberg 2006; Trondal 2011; van Dorp and Hart 2019). Correspondingly, the observations in this study challenge the alleged dyadic coordination dilemma facing agencies embedded in multilevel structures. Moreover, the study suggests that four significant moderators influence agency governance consistently across all models (figures 1 to 4). The graphical plots also suggest that the effects of the moderator variables are similar for the Commission and EU agencies. In addition, organizational duplication, perceived trust, and formal rules were significant moderators in one or more models. However, whereas these moderators bias agency governance, neither of them fundamentally transform relationships from one governance type to another.

The affiliated status as an integrated EU non-member-state grants the Norwegian central administration privileged access to most parts of the EU administration, which in turn paves the way for deep administrative integration at agency level. This study suggests that agency-driven administrative integration across levels of governance mobilizes an administrative bias towards expert bodies, which may fuel an “administrative state” (Waldo 1952) more than a “policy state” (Orren and Skowronek 2017). Nonetheless, rather than a binary understanding of agency governance, this article demonstrates the hybrid nature of compound agency governance characterized by agencies making compromises and displaying skills to navigate conflicting concerns.

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Note

1. Administrative participation includes participation in expert groups (under the Commission), comitology committees, European regulatory networks, and EU agencies as well as secondment to the EU Commission.

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