

# The Politics of Merger

## The New Frontiers of the Territorial State

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# THE POLITICS

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THE NEW FRONTIERS  
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**Philippe Bezes and Patrick Le Lidec**

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**L**ike welfare states, systems of political administration are known to be particularly robust institutions within which processes of transformation are subject to significant mechanisms of inertia, owing to the weight of their historical legacies or “administrative traditions”, as represented by immovable historical institutions (structuring values, a specific administrative system of law, the status and institutional protection of public agents, the type of politico-administrative relations in force, the organization of structures, the integration of different tiers of administration, etc.). They are also subject to the force of veto actors defending these institutions, and to the high cost of reforming them.<sup>1</sup> Among the properties that solidly “anchor” bureaucracies, the presence of a “territorial administration of the state”, characteristic of Napoleonic states, must certainly count as a perennial institution.<sup>2</sup> Historically, it arose from two distinct but interpenetrating logics that continued to develop throughout the nineteenth and twentieth centuries, and which give us the true definition of the original territorial nature of Napoleonic states.<sup>3</sup> The first is a territorial logic that entrusts the political incarnation of the state to generalist representatives of government - prefects - originally expected to be familiar with all the dealings of the state, and granted authority over all of its services within a given area, the *département*. The second is a ministerial logic of public policy that gradually developed, from the nineteenth century onward, around the creation by each ministry of devolved field services acting as territorial relays for the central administration in various jurisdictions. It is the coexistence of these two logics, pertaining to different divisions of labor and different hierarchies that came to define the singular nature of the French system of territorial administration.<sup>4</sup> By the same token, the

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1. Christopher Knill, “Explaining cross-national variance in administrative reform: autonomous versus instrumental bureaucracies”, *Journal of Public Policy*, 19(2), 1999, 113-39; Jan H. Meyer-Sahling and Kutsal Yesilkagit, “Differential legacy effects: three propositions on the impact of administrative traditions on public administration reform in Europe East and West”, *Journal of European Public Policy*, 18(2), 2011, 311-22; Philippe Bezes and Salvador Parrado, “Trajectories of administrative reform: institutions, timing and choices in France and Spain”, *West European Politics*, 36(1), 2013, 22-50.

2. B. Guy Peters, “The Napoleonic tradition”, *International Journal of Public Sector Management*, 21(2), 2008, 118-32.

3. Christopher K. Ansell and Giuseppe Di Palma (eds), *Restructuring Territoriality. Europe and the United States Compared* (Cambridge: Cambridge University Press, 2004).

4. Philippe Bezes and Patrick Le Lidec, “L'hybridation du modèle territorial français: la réorganisation de l'administration territoriale de l'État et la Révision générale des politiques publiques”, *Revue française d'administration publique*, 4, 2010, 881-904.

organization of devolved field ministerial services and their relation to prefects has always been one of the Gordian knots of the politics of administrative reform.<sup>1</sup> In France, the perennial nature of this territorial state, and the absence of any reforms that might challenge it, have long been explained by the influence of the actors who respectively represent these two logics. Certainly, the 1964 reform, as studied in the important work of Pierre and Catherine Grémion, added a new, albeit weak, regional tier, and reaffirmed the pre-eminence and interministerial prerogatives of prefects over the devolved administration.<sup>2</sup> Yet the effects of this reform remained modest, given the resistance of the system of *départements*; and throughout the 1980s, there were few initiatives seeking to transform these two interlocking logics. In other countries of the Napoleonic tradition where these logics are also to be found (such as Spain and Italy), and in Scandinavian countries that have only a prefectural system (Denmark, Sweden, and Norway), the territorial anchoring of the state in one or the other of these dimensions has often proven particularly resistant to administrative reform. Globally speaking, it remained largely unaffected by the reforms inspired by New Public Management (NPM) and agencification.<sup>3</sup> Where the radical nature of Spanish decentralization, which led to the establishment of a quasi-federal state, favored the dismantling of the territorial services of the state, somewhat draining the prefectural role of any real substance,<sup>4</sup> in the Scandinavian countries the centrality of prefectural systems and their coordinative function seems to have survived.<sup>5</sup>

From this point of view, and although its effects were limited to a number of officials that had dwindled to a hundred thousand after successive decentralizations, the reform of the territorial administration of the French state known as the REATE (*la réforme de l'administration territoriale de l'État*), seems to represent a historical break whose scope, overall rationale, and effects stand in contrast to the 1964 reform. It was initiated in 2004 and implemented between 2007 and 2012 during the presidency of Nicolas Sarkozy, Organizational transformation through the merging of services played a central role in the REATE, a reform that, breaking with two centuries of history during which ministries had remained anchored to *départements*, affirmed the principle of the regionalization of the territorial organization of the state. The REATE called for the creation of eight regional directorates that brought together around thirty previously separate services through a series of mergers (see box below). To this regionalization was added a transformation of ministerial services for the *départements*, now placed under the territorial authority of the departmental prefect, the interministerial nature of whose work was thereby reaffirmed: the merger served as an organizational instrument, “de-ministerializing” around twenty formerly “ministerial” services, bringing them together into two or three merged entities generically referred to as “interministerial departmental directorates [*directions départementales interministérielles*, DDI]”. Three departmental services were not integrated into DDIs, however, but were instead placed within a regional hierarchy: two so-called territorial units (*unités territoriales*, UT)

1. Pierre Grémion, *Le Pouvoir périphérique* (Paris: Seuil, 1976); Patrick Le Lidec, “L'impossible renouveau du modèle préfectoral sous la quatrième République”, *Revue française d'administration publique*, 4(120), 2006, 695-710.

2. Grémion, *Le Pouvoir périphérique*; Catherine Grémion, *Profession: décideur. Pouvoir des hauts fonctionnaires et réforme de l'État* (Paris: Gauthier-Villars, 1979).

3. Edoardo Ongaro, *Public Management Reform and Modernization. Trajectories of Administrative Change in Italy, France, Greece, Portugal and Spain* (Cheltenham: Edward Elgar, 2009).

4. Bezes and Parrado, “Trajectories of administrative reform”.

5. Hilde Bjørnå and Synnøve Jenssen, “Prefectoral systems and central-local government relations in Scandinavia”, *Scandinavian Political Studies*, 29(4), 2006, 308-32.

and a territorial delegation (see box below). The REATE reform was also based on the twofold affirmation of the interministerial role of regional prefects vis-à-vis departmental prefects, introducing a hierarchical logic heretofore absent from the relationship between the two: under the REATE, the regional prefect could no longer be considered a *primus inter pares*.

The REATE created eight new regional directorates via the merging of the existing entities: a regional directorate for the environment, development, and housing (*Direction régionale de l'environnement, de l'aménagement et du logement*, DREAL); a regional directorate for enterprises, fair trading, consumer affairs, labor, and employment (*Direction régionale des entreprises, de la concurrence, de la consommation, du travail et de l'emploi*, DIRECCTE); a regional directorate for youth, sport, and social cohesion (*Direction régionale de la jeunesse, des sports et de la cohésion sociale*, DRJSCS); a regional directorate for food, farming, and forestry (*Direction régionale de l'alimentation, de l'agriculture et de la forêt*, DRAAF); a regional directorate for culture (*Direction régionale de la culture*, DRAC); a regional health agency (*Agence régionale de santé*, ARS); a regional directorate for public finances (*Direction régionale des finances publiques*, DRFIP, general treasury and fiscal services); and an educational authority (*rectorat d'académie*).

Under the REATE, the numerous former departmental directorates of the ministries were grouped together under two entities: the departmental directorate for social cohesion and the protection of populations (*Direction départementale de la cohésion sociale et de la protection des populations*, DDCSPP); and the departmental directorate of territories (*Direction départementale des territoires*, DDT). Two territorial units (*unités territoriales*, UT) were created with a direct hierarchical link to DREAL and DIRECCTE as the territorial delegation of the ARS and under its authority. Unaffected by the mergers, there remained the academic inspectors (*inspection d'académie*), now renamed the directorate of departmental services of national education (*Direction des services départementaux de l'Éducation nationale*), and the departmental directorate of public finance (*direction départementale des finances publiques*).

Described in this way, and as presented in political discourse, the REATE has the appearance of a reorganization of massive scope of the French territorial state, implemented in the context of considerable budgetary constraints, and based upon the application of certain recipes for rationalization inspired by private-sector practices of “re-engineering”: application of the policy of mergers at every level; the demand for a unique contact point - a small administrative “front office” situated at the level of the *département* - combined with a large “back office” at the regional level, intended to increase efficiency and specialization in particular tasks; and a drive to rethink the hierarchy of the various tiers of state administration. Whereas in many other states, the agency form was often the most widespread rational myth during the 1980s and 1990s, it was the merger which became the leitmotif of reformers within the context of the general review of public policies (*Révision générale des politiques publiques*, RGPP), Nicolas Sarkozy’s package of measures for state reform.

This large-scale reform of the territorial administration of the state, under the rubric of a vast rationalization, is striking for three reasons. Firstly, it invites us to inquire into the mechanisms of institutional change that drove the implementation of a new organization of the territorial state, long regarded as extremely robust and costly to reform. Via which

dynamics was this institution, structured by the two logics mentioned above, challenged? This is not an easy question to answer, if we are to believe researchers who claim that “it is difficult, and perhaps impossible, to accurately disaggregate the motives that inspire changes in the administrative machine”.<sup>1</sup> Secondly, there is all the more reason to pursue the question given that a good many studies on reorganization via mergers furnish a long list of the rationales at work in this process, yet have trouble identifying their empirical presence, gauging their relative importance, or telling us how they interact with one other.<sup>2</sup> And thirdly, this difficulty in identifying the active mechanisms with any precision is all the more problematic because recent studies on merger-based reorganizations see them as heralding a new historical turn in the transformation of states. Many writers view these reforms as constituting a “second generation of administrative reform” pursued in reaction to NPM-inspired agencification. Labeled “joined-up government”,<sup>3</sup> “whole-of-government approach”,<sup>4</sup> or “holistic governance”,<sup>5</sup> such reorganizations supposedly reflect a shift of emphasis toward interministeriality, coordination, and integration via a multitude of technical devices: mergers, project logic, digital technologies, and one-stop shops. The existence of such an alternative movement is contested, however: some researchers suggest that the chronology is debatable, for the fragmentation attributed to NPM and for the more recent movement of integration alike;<sup>6</sup> others argue that mergers can perfectly well serve the objectives of NPM, particularly the pursuit of budgetary savings.<sup>7</sup> In the absence of any precise analysis of the mechanisms at work and their interdependencies, these debates and uncertainties will remain difficult to resolve.

Responding to these shortcomings, this article will bring to bear a deductive process-tracing perspective, designed to compare the importance, influence, and relative weight of the many competing explanations, drawing upon a rich collection of empirical data on the development of the reform of the territorial administration of the French state.<sup>8</sup> Making use of the vast existing literature analyzing the dynamics of reorganizations, we distinguish four

1. Glyn Davis, Patrick Weller, Emma Craswell and Susan Eggins, “What drives machinery of government change? Australia, Canada and the United Kingdom (1950-1997)”, *Public Administration*, 77(1), 1999, 7-50 (43).
2. John Halligan, “Reorganising Australian government departments”, *Canberra Bulletin of Public Administration*, 52, 1987, 40-7; Christopher Pollitt, *Manipulating the Machine: Changing the Pattern of Ministerial Departments, 1960-1983* (London, Allen & Unwin, 1984), 128; Christopher Pollitt, “Joined-up government: a survey”, *Political Studies Review*, 1(1), 2003, 34-49; Tom Christensen, Anne Lise Fimreite and Per Lægred, “Reform of the employment and welfare administrations: the challenges of co-coordinating diverse public organizations”, *International Review of Administrative Sciences*, 73(3), 2007, 389-408.
3. Pollitt, *Manipulating the Machine*; Vernon Bogdanor (ed.), *Joined-up Government* (Oxford: Oxford University Press, 2005).
4. Tom Christensen and Per Lægred, “The whole-of-government approach to public sector reform”, *Public Administration Review*, 67(6), 2007, 1057-64.
5. Perri 6, Diana Leat, Kimberly Seltzer and Gerry Stoker, *Towards Holistic Governance. The New Reform Agenda* (Basingstoke: Palgrave, 2002).
6. Martin Lodge and Derek Gill, “Toward a new era of administrative reform? The myth of post-NPM in New Zealand”, *Governance*, 24(1), 2011, 141-66.
7. Martin Kitchener and Linda Gask, “NPM merger mania: lessons from an early case”, *Public Management Review*, 5(1), 2003, 19-44.
8. There are many existing works on process tracing. For a presentation of the deductive perspective through which theories are tested, see Christine Trampusch and Bruno Palier, “Between X and Y: how process tracing contributes to opening the black box of causality”, *New Political Economy*, 21(7), 2016, 437-54. See also the special issue in which this article appears, *Process Tracing: The Understanding of Causal Mechanism (New Political Economy, 21(7), 2016)*. For a general overview, see Derek Beach and Rasmus Brun Pedersen, *Process Tracing Methods: Foundations and Guidelines* (Ann Arbor: University of Michigan Press, 2013); Andrew Bennett and Jeffrey T. Checkel (eds), *Process Tracing. From Metaphor to Analytical Tool* (Cambridge: Cambridge University Press, 2015).

mechanisms, each connected to a different theoretical perspective: the preponderant influence of the political executive during reorganizations (*the politics of structural choices*, in this case the choices associated with mergers); the circulation and adoption of standardized and legitimated organizational forms (*sociological neo-institutionalism*); the role of entrepreneurial institutional reformers and their capacity to set in motion a transformation of considerable scope (*sociological and historical neo-institutionalism*); and the pressure exerted by “*bureaucratic politics*” - that is to say, by the struggles over jurisdiction between merged organizations that often deflect the remodeling of the division of labor in the state. Following a presentation of the four mechanisms and of our approach, the long-term study carried out on the process of producing the reorganization of the territorial state, and various empirical data - semi-structured interviews and written sources (see the methodology included as an appendix) - are systematically employed in order to identify the presence of these mechanisms, to gauge their relative importance in the reform sequence, and to show the nature of the interdependencies between these dynamics and the effects of their combination.<sup>1</sup> This investigation is based on a detailed study of the reform, which we break down here into three sequences corresponding to three essential moments and to the three periods empirically covered in the article (2002-2007; July-December 2007; January-December 2008).

### **The politics of mergers, organizational standards, institutional entrepreneurs, and bureaucratic politics: a process-tracing study of the mechanisms of reform**

There are numerous works based on case studies of reorganization by merger, but many of them offer a plethora of explicative factors without ever really combining these factors into a theory nor, moreover, tracing their respective influence over the process of reform. Analyzing the merger of the Norwegian departments of employment and social aid, Tom Christensen and Per Lægveid defend a pluralist so-called transformative approach that insists upon the role of political and bureaucratic “leaders”, on the constraints imposed by existing administrative traditions, and on the influence of the environment via the imposition of dominant concerns and the circulation of organizational models developed within it. However, they do not closely examine the precise influence of these factors, nor the manner in which they fit together. The same cannot be said for John Halligan, in his analysis of the politics of integration by merger during the transformation of the Australian department of human services.<sup>2</sup> Halligan identifies the co-influence of three dynamics (tightening of control over the governmental apparatus, changing priorities in the orientation of public policy, and the realization of economies of scale by reducing duplication of work) and seeks to weigh up the importance of each of these dimensions in the process of transformation. But he does not link these factors to any explicative theory: rather, for him they express the influence of different political objectives whose relative importance is to be gauged. Similarly, Anne White and Patrick Dunleavy identify three “influences” at work in the transformation of the British state departments (transformation of the environment, perceived performance of ministers and their

1. For this argument, see Philippe Bezes and Frédéric Pierru, “The politics of mergers: exploring the drivers of organizational changes and the NPM/post-NPM debate in two policy-sectors (employment and health) in France”, paper presented to the SOG RC27 panel, IPSA World Congress, Madrid, 2012.

2. John Halligan, “Coordination of welfare through a large integrated organization: the Australian department of human services”, *Public Management Review*, 17(7), 2015, 1002-20.

departments, political considerations of the prime minister and issues concerning the formation of the Cabinet), without connecting them to the roles played by specific actors.<sup>1</sup> In contrast, in their study of the creation of the French ministry of sustainable development in 2007, Pierre Lascoumes *et al.* identify three different rationalities, presented as “narratives” reflecting the motives of different actors in the reform: political (the construction of a right-leaning ecology within the program of the *Union pour un mouvement populaire*, the UMP), administrative (the weight of previous reforms), and bureaucratic (the recomposition of the various state *corps*).<sup>3</sup> Yet these motives are not linked to theories, and their relative weight and the ways in which they are combined are not explored.

In examining the reform of the territorial administration of the state, we propose to rely not upon explicative factors, but upon four theoretical perspectives present in more general works on reorganization and the designs developed for it. Certain of these have already been applied to the study of mergers; others more widely to the analysis of organizational change. We have constructed a matrix (see Table 1) so as to distinguish the mechanisms highlighted as a function of the positions of actors within reorganizations - whether they are external or internal to the bureaucracies concerned - and of the nature of the stakes emphasized by these theoretical perspectives: the strictly material (struggles of competing interests, strategic calculations, and jurisdictional battles) and the cognitive (relating to the representations, and socially constructed narratives and visions within the institutions undergoing transformation).

**Table 1. Four mechanisms operative in reorganizations via merger**

Type of actor in the reform Nature of stakes	Internal to the administration	External to the administration
Material (interests, jurisdictional struggles)	Irreducibility of jurisdictional struggles and clashes of interest between ministerial organizations during the process of reorganization. Negotiations of compromise in the drawing of boundaries. (Bureaucratic Politics)	Prevalence of the political executive in the design of public organizations, linked to issues of remuneration, control of the administration, or redefinition of public policy. (Politics of Structural Choice)
Cognitive (representations, narratives)	Prevalence of institutional entrepreneurs and their reform narratives within organizations. Analysis of the resources and positions of these actors in order to understand how they free themselves from the existing order. (Organizational Institutionalism)	Circulation and legitimation of the organizational model (here, the merger) as rational myth promoted by reformers or transnational actors. (Sociological Institutionalism)

1. Anne White and Patrick Dunleavy, *Making and Breaking Whitehall Departments. A Guide to Machinery of Government Changes* (London: Institute for Government, LSE Public Policy Group, 2010).

2. A *Corps*, within the French civil service, includes civil servants who have similar training and professional specialization and who are expected to carry out similar tasks. The *grands corps* include high-level administrative or technical executives who have studied at the ENA or major engineering schools and who have the opportunity to join (or to be appointed to) le *Conseil d'État*/Council of State, la *Cour des Comptes*/the Audit Court, l'*Inspection des Finances*/The Inspectorate of Finances, the diplomatic *corps*, the prefectural *corps* and the engineering *corps* (*Corps des Mines, Corps des Ponts et Chaussées, ...*). Members of *grands corps* are very well organized, experienced and powerful groups, using solidarity of *corps* to decide on professional strategies and supervise the careers of their peers.

3. Pierre Lascoumes, Laure Bonnaud, Jean-Pierre Le Bourhis and Emmanuel Martinais, *Le développement durable: une nouvelle affaire d'État* (Paris: PUF, 2014).

Each of these theorizations privileges different hypotheses and different mechanisms seen to be at work within the process of reorganization. In this article, we claim that a deeper study of the institutional change of the territorial state in the French context cannot limit itself to just one of these perspectives. Each of them is pertinent, and there is no reason to think that they are mutually exclusive; therefore, in choosing just one of them, we would run the risk of privileging only one dimension of change, and explaining only a small part of the observed recomposition. We would thereby also be prevented from verifying the extent to which alternative mechanisms might have produced the same results, and from explaining other aspects of the institutional order that is being reconstructed. The so-called process-tracing approach, in its deductivist version, which proposes to test alternative theories<sup>1</sup> - what Peter A. Hall calls “systematic process analysis”<sup>2</sup> - offers us the means to surpass the limits of any one single theoretical framework. According to Hall, it is a matter of studying a particular case not with one theorization but with many, in such a way as to understand what each of them contributes to the construction of the final result, and thus to test them against one another in order to assess their relative importance.<sup>3</sup> We adopt this approach in the three subsequent, empirical sections of this article; but, in the spirit of an approach via configurations, we also insist on the idea that the causal mechanisms investigated enter into combination rather than oppose one another, and that they involve the strategies of actors and the transformative initiatives of existing institutions as they unfold in more or less favorable contexts: the new emerging organizational form is the product of the combination of inter-lacing mechanisms.<sup>4</sup>

Let us now consider these four theoretical mechanisms, before making use of them to describe the institutional transformation of the French territorial state.

### The politics of structural choice: political influence in mergers

A first mechanism within reorganizations can be identified by examining changes in structures, as Harold Seidman suggests, as “an instrument of politics, positions, and power”.<sup>5</sup> James March and Johan P. Olsen suggest that repeated clashes over the “proper architecture” of public organizations “provide useful insights into the nature of politics” and constitute an important aspect of the activity of government, located in between internal concerns for efficiency, savings, and control, and external influences that reflect struggles between interest groups and contradictory demands.<sup>6</sup> Terry M. Moe has certainly gone the furthest in theorizing the preponderant role played by the executive powers in the choice of administrative structures (in his case, federal agencies rather than mergers) in the North American context.<sup>7</sup>

1. Beach and Brun Pederse, *Process-Tracing Methods*, 14-16.

2. Peter A. Hall, “Systematic process analysis: what it is and how to use it”, *European Political Science*, 7(3), 2008, 304-17.

3. *Ibid.*, 309.

4. On the importance of this perspective in process tracing work, see Joachim Blatter and Markus Haveland, “Case studies and (causal-)process tracing”, in Isabelle Engeli and Christine Rothmayr Allison (eds), *Comparative Policy Studies: Conceptual and Methodological Challenges* (Basingstoke: Palgrave Macmillan, 2014), 59-84.

5. Harold Seidman, *Politics, Position and Power. The Dynamics of Federal Organization* (Oxford: Oxford University Press, 1975).

6. March and Olsen, *Rediscovering Institutions*, 60-70.

7. Terry M. Moe, “The politics of bureaucratic structure” in John E. Chubb and Paul E. Peterson (eds), *Can the Government Govern?* (Washington: The Brookings Institution, 1989), 267-329; and “The politics of structural choice: toward a theory of public bureaucracy”, in Oliver E. Williamson (ed.), *Organization Theory: From Chester Barnard to the Present and Beyond* (Oxford: Oxford University Press, 1990), 116-53.

Although his starting point is the power of interest groups and their attempts to influence the design of bureaucracies so as to defend their interests and ensure decisions favorable to them, Moe also insists a great deal on the centrality of the executive powers' strategies for the control of public organizations within the context of the creation or reform of agencies, situations in which they aim to obtain results that will satisfy their preferences.

“They are the only ones who actually want to run it [the bureaucracy] through hands-on management and control. Their ideal is a rational, coherent, centrally directed bureaucracy that strongly resembles popular textbook notions of what an effective bureaucracy, public or private, ought to look like.”<sup>1</sup>

There are two equally important matters at issue in the executive powers' exertion of influence over the design of administrations: ensuring the durability of policy orientation by protecting the organization in a context marked by strong electoral uncertainty; and negotiating compromise with other actors seeking to influence the design (congress, bureaucrats, and interest groups).

This perspective, which transposes theories of organizations from economics into the field of political science, has not been applied to mergers. Nonetheless, certain studies have identified political rationalities associated with interesting micro-theories that are compatible with Moe's arguments. Here we will examine two of these. On one hand, Christopher Hood, Meg Huby, and Andrew Dunsire consider the merging of ministerial portfolios in terms of “court politics”: the creation of a major ministry serves as symbolic compensation to an allied party or figure, bolstering their electoral weight or increasing their support.<sup>2</sup> In a wider sense, mergers bring into play the relative “weight” of political actors, in the sense that they involve ministers who support the broadening of the remit of their ministry because this is seen to symbolize their own political traction. On the other hand, studies on reorganizations and the creation of “mega-ministries” insist that mergers constitute a powerful lever for the redistribution of power within the state and, simultaneously, a means of tightening control over the activity of government by “repyramidizing” the organization.<sup>3</sup> Whereas the creation of agencies delegates power to entities set at a distance, the merging of organizations entails both a reduction of management positions and a new hierarchization of public policy priorities: mergers oblige those behind them to foreground a small number of objectives, and invite challenges to the organization of the services' clientele. The promotion of mergers may thus be associated with strategies of control on the part of the executive.

Although of limited interest to the electorate, changes in organizational structure are thus susceptible to being wielded as political instruments for the (re)assertion of power. Although they may be intermittent and focused in exceptional moments, the attention paid by political actors to such reorganizations can have a major impact on the eventual choice of structure.

### The circulation of rational organizational myths: the merger as legitimate standard

Despite its intrinsic interest, the political variable should not lead us to consider administrative mergers from a purely instrumental angle. On the contrary, sociological work on

1. Moe, “The politics of bureaucratic structure”.

2. Christopher Hood, Meg Huby and Andrew Dunsire, “Scale economies and iron laws: mergers and demergers in Whitehall (1971-1984)”, *Public Administration*, 63(2), 1985, 61-8.

3. Halligan, “Reorganising Australian government departments”; Davis *et al.*, “What drives the machinery”.

organizational and managerial forms suggest that these standards - for example the agency form, or the merger - are socially and culturally constructed as rational myths that, once legitimated, become subject to processes of circulation and diffusion.<sup>1</sup> Such work sees public organizations as being embedded in institutionalized fields composed of organizations of the same nature, structured by legitimate rules, norms, and templates. Members of these organizations enter into contact with a great many equivalent institutions in the context of transnational or international associations and organizations, where norms and standards are enacted that exert major normative influences and mechanisms of homogenization - what authors such as Paul DiMaggio and Walter W. Powell describe as "isomorphisms".<sup>2</sup> Organizations tend to adopt the same organizational forms because they correspond to the expectations of conformity within the field, and, in turn, tend to reinforce their legitimacy.

Analyzing the case of North American hospitals and healthcare research centers, Martin Kitchener and Linda Gask emphasize the construction, diffusion, and adoption of the merger as a managerial rational myth: an "NPM merger mania".<sup>3</sup> Legitimated by advisory bodies and international organizations, these organizational recipes are adopted as "myths" not so much because they are intrinsically effective, but out of a concern for conformity with the dominant standards in the environment, and following mimetic mechanisms or normative pressures.<sup>4</sup> Kitchener emphasizes the importance of analyzing in context the conditions under which such standards emerge, along with the construction of beliefs associated with them, and the actors who bolster their legitimacy and ensure their circulation.<sup>5</sup> Observing the presence of such beliefs leads us to identify the cognitive mechanisms and the coalitions of actors that serve to diffuse them.

The first two mechanisms discussed above, and their theorizations, are important; but they tend to privilege actors external to the public administration (political elites, actors in the transnational arena) who in one way or another act upon organizations from without. These two perspectives thus neglect the multiple bureaucratic and ministerial organizations that "make up" the state, and the major role played by senior officials in the process of reorganization. It is thus indispensable to understand how reform narratives emerge within the state itself; and to take account of the importance of the jurisdictional struggles that inevitably arise within the context of the extremely high institutional density characteristic of national administrations.

### Mergers within constraining institutional fields: the importance of institutional entrepreneurs

The third mechanism to be examined, then, pertains to theorizations of the roles of actors internal to the organizations in transformation: in the case of public-sector reorganizations, this means those senior officials who promote and support reform. Numerous

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1. John W. Meyer and Brian Rowan, "Institutionalized organizations: formal structure as myth and ceremony", *American Journal of Sociology*, 83(2), 1977, 340-63; Paul J. DiMaggio and Walter W. Powell, "The iron cage revisited: institutionalized isomorphism and collective rationality in organizational fields", *American Sociological Review*, 48(2), 1983, 147-60; Frank R. Dobbin, "Cultural models of organization: the social construction of rational organizing principles" in Diana Crane (ed.), *The Sociology of Culture. Emerging Theoretical Perspectives* (Oxford: Blackwell, 1995), 117-41.

2. DiMaggio and Powell, "The iron cage revisited".

3. M. Kitchener and L. Gask, "NPM merger mania"; Martin Kitchener, "Mobilizing the logic of managerialism in professional fields: the case of academic health center mergers", *Organization Studies*, 23(3), 2002, 391-420.

4. DiMaggio and Powell, "The iron cage revisited".

5. Kitchener, "Mobilizing the logic of managerialism".

studies have shown that the latter play a determinative role in the preparation of administrative reforms.<sup>1</sup> All theoretical works on organizational and institutional change are confronted with what is often presented as a paradox: how and why, within dense and constrained institutional fields, do actors who are embedded in organizational structures and socialized into their routines find the motivation, resources, and capacities to take reorganization forward?<sup>2</sup> It is symptomatic that these approaches - those of sociological neo-institutionalism,<sup>3</sup> organizational institutionalism,<sup>4</sup> and historical neo-institutionalism<sup>5</sup> - pose very similar questions regarding agency and entrepreneurs of change, with the intention of understanding through what resources, skills, positions, and/or capacities these reformers manage to free themselves of the existing institutional order and become able to imagine alternative designs. As a great many reviews and syntheses of work on institutional entrepreneurs remind us, the first task is therefore to understand which properties (positions, dispositions) favor their emergence.<sup>6</sup> Opinions in the literature diverge on this point: are these actors above all “outsiders”, on the margins of an institution and therefore all the more capable of freeing themselves from it; or, on the contrary, are they “insiders”, actors who are central to the institution, and endowed with sufficient legitimacy to be able to propose an unprecedented vision of reform? This “institutional work” of reorganization is the fruit of individual and collective actors who create, transform, overthrow, but also reproduce institutions.<sup>7</sup> For example, Neil Fligstein insists on the importance of these entrepreneurs’ social skills - that is to say, their capacity to (re)construct or revise the identities, narratives, and values of the institution, to generate and to diffuse new ideas that will redefine problems and solutions, to take in hand the “demand for change”, and to develop “reform narratives” capable of eliciting cooperation with and engendering conviction about reform.<sup>8</sup> In their study of university mergers in France, Christine Musselin and Maël Dif-Pradalier emphasize the active role played by university presidents in the adaptation of global myths of rationalization (“the fully international university”) and their tailoring to local contexts through the production of an original reform narrative.<sup>9</sup> In all of these cases, reorganizations are seen as processes via which the institutional logics<sup>10</sup> at work within states - that is to say, the longstanding and well-anchored categories, meanings, practices, and skills that have always been constitutive

1. Philippe Bezes, *Réinventer l'État: Les réformes administratives en France* (Paris: PUF, 2009).

2. Myeong Wu Seo and Douglas Creed, “Institutional contradictions, praxis, and institutional change: a dialectical perspective”, *Academy of Management Review*, 27(2), 2002, 222-47.

3. Jens Beckert, “Agency, entrepreneurs and institutional change: the role of strategic choice and institutionalized practices in organizations”, *Organization Studies*, 20(5), 1999, 777-99; Neil Fligstein, “Social skill and the theory of fields”, *Sociological Theory*, 19(2), 2001, 105-25.

4. Royston Greenwood and Roy Suddaby, “Institutional entrepreneurship in mature fields: the big five accounting firms”, *Academy of Management Journal*, 49(1), 2006, 27-48.

5. James Mahoney and Kathleen Thelen (eds), *Explaining Institutional Change. Ambiguity, Agency and Power* (New York: Cambridge University Press, 2010).

6. Julie Battilana, Bernard Leca and Eva Boxenbaum, “Agency and institutions: a review of institutional entrepreneurship”, *Academy of Management Annals*, 3(1), 2009, 65-107; Henri Bergeron and Patrick Castel, “Les habits neufs du néo-institutionnalisme? La redécouverte de l'ordre mésologique et de l'agency”, *L'Année sociologique*, 3, 2015, 23-62.

7. Thomas B. Lawrence and Roy Suddaby, “Institutions and institutional work” in Stewart R. Clegg *et al.* (eds), *Handbook of Organization Studies* (London: Sage, 2006), 215-54.

8. Fligstein, “Social skill”.

9. Christine Musselin and Maël Dif-Pradalier, “Quand la fusion s'impose: la (re)naissance de l'université de Strasbourg”, *Revue française de sociologie*, 55(2), 2014, 285-318.

10. Patricia H. Thornton and William Ocasio, “Institutional logics” in Royston Greenwood *et al.* (eds), *Handbook of Organizational Institutionalism* (Los Angeles: Sage, 2008), 99-129.

of them<sup>1</sup> - are reproduced, but above all adapted and transformed, under the influence of reform narratives. In virtue of this, a second theoretical issue may be mentioned here: we ought to pay attention not only to institutional entrepreneurs, but also to the properties of institutions and to the multiple, ambiguous, and often contradictory character of institutions under construction - an ambiguity that favors the emergence of new interpretations.<sup>2</sup>

### The power struggles of “bureaucratic politics” in the delineation of organizational boundaries

The last mechanism at work in the process of reorganization emphasizes the central activity in mergers, the delineation of new organizational boundaries, in connection with what constitutes the core activity of ordinary bureaucratic functioning, jurisdictional struggle. The classic works on bureaucracies, whether those of James Q. Wilson or Graham T. Allison, emphasize that the state is structured by a multiplicity of components, and stress the importance of competition and jurisdictional struggle between these component parts. Appreciation of this dimension lies at the heart of “bureaucratic politics”, which studies the state as a “conglomerate of large organizations and political actors who differ substantially about what their government should do”, and theorizes the process of decision-making as the result of struggles between these organizations.<sup>3</sup> This perspective is equally central to the analysis of the logics of competition (“turf wars”) described by Wilson.<sup>4</sup> From this perspective, reorganizations are *political* in so far as they are the product of transactions, negotiations, and compromises between the “major players” of competing ministerial organizations.

Appreciating the importance of this mechanism in explaining the final design of organizational choices is crucial in studying merger-based reorganizations. It allows us to take account of the fact that mergers take place in particularly dense institutional fields, which they throw into turmoil.<sup>5</sup> In rearranging ministerial organizations, they call into question the institutional logics proper to each one, imposing a new structure on top of the existing ones, and thus redefining the organizational boundaries. This mechanism thus allows us to attend to jurisdictional struggles, which are all the more acute in reorganizations by merger, where they appear “magnified”. In fact, at the very heart of merger processes lies the work of breaking down and overlapping between organizations - something that recent studies on organizational institutionalism call “boundary work”.<sup>6</sup> The overlapping and redrawing of boundaries constitutes a crucial issue that particularly engages with power dynamics, but also involves reflections on the jurisdiction of public policy and the identities of the agents

1. Dobbin, “Cultural models of organization”.

2. On this point, see Bergeron and Castel, “Les habits neufs du néo-institutionnalisme?”, 32-5 and 48; on institutional ambiguity, see Adam Sheingate, “Rethinking rules: creativity and constraint in the US House of Representatives” in James Mahoney and Kathleen Thelen (eds), *Institutional Change. Ambiguity, Agency and Power* (Cambridge: Cambridge University Press, 2010), 168-203.

3. Graham T. Allison, *Essence of Decision: Explaining the Cuban Missile Crisis* (Boston: Little, Brown & Co., 1971); Graham T. Allison and Morton H. Halperin, “Bureaucratic politics: a paradigm and some policy implications”, *World Politics*, 24 (S1), 1972, 40-79.

4. James Q. Wilson, *Bureaucracy: What Government Agencies Do and Why They Do It* (New York: Basic Books, 1989).

5. Paul Pierson, *Politics in Time. History, Institutions and Social Analysis* (Oxford: Princeton University Press, 2004).

6. For a very good presentation of “boundary work”, see Charlene Zietsma and Thomas B. Lawrence, “Institutional work in the transformation of an organizational field. The interplay of boundary work and practice work”, *Administrative Science Quarterly*, 55(2), 2010, 189-221; Filipe M. Santos and Kathleen M. Eisenhardt, “Organizational boundaries and theories of organization”, *Organization Science*, 16(5), 2005, 491-508.

and organizations implicated in these policy remits. In her analysis of the merger process, Karen M. Hult emphasizes the multiple dimensions of these power struggles that develop around jurisdictional questions, including integration between the merged units and hierarchical tiers, interdependencies between units, and transformation of the links of organizations with their environments and their client networks.<sup>1</sup> Whatever the circumstances, given that they involve the redefining of boundaries, mergers engender inter-organizational conflicts, and through them, transactions and compromises, all within the framework of a “bureaucratic politics” that, in such processes, is taken to its most acute point.

In the three following sections, we aim to identify the presence of these four mechanisms in the process of the reform of the territorial state in France during the period 2002-2008, to assess their influence, and to observe the way in which they combined with one another during this process.

### The bureaucratic moment: reform narratives in search of political support and legitimacy (2002-2007)

Although the reform of the territorial administration of the state saw a spectacular acceleration between 2007 and 2009 thanks to the RGPP, the process was initiated at the beginning of the 2000s and subsequently cemented, in a first stage, by a series of decrees and circulars of limited scope adopted during 2004-2005. During this period, ministers and *corps* of senior officials, acting as entrepreneurs of reform, developed competing reform narratives for the organization of the state’s territorial networks. Yet the decisions taken during Jacques Chirac’s five-year term were limited in their effects, principally because reform remained an affair that was exclusively *internal* to the administration, and lacked sufficient political backing.

### The ministry of the interior and the invention of a new model for the organization of the territorial services of the state (2002-2006)

The reform of the territorial administration of the state originated in debates launched in 2002 by a team of officials made up of members of the *corps préfectoral* (the prefectural administration) occupying posts at the key institution of the ministry of the interior, and who acted as true institutional entrepreneurs.<sup>2</sup> The individuals concerned belonged to an elite within the *corps préfectoral* and occupied some of the highest positions within the Directorate-general of the administration of the ministry of the interior, and subsequently, when a secretariat-general of the ministry of the interior was created, within the Directorate

1. Karen M. Hult, *Agency Merger and Bureaucratic Redesign* (Pittsburgh: University of Pittsburgh Press, 1987), 13-32.

2. During the 2000s, we have in mind in particular Pierre René Lemas (as director general of the administration, from 2000 to 2003); Daniel Canepa (deputy director of Nicolas Sarkozy’s office at the ministry of the interior, then director general of the administration of the ministry of the interior from 2003 to 2004, and secretary general of the ministry of the interior from 2004 to 2006); Bernadette Malgorn (secretary general from 2006 to 2009); and the string of sub-directors at the helm of the Directorate for modernization and territorial action (DMAT), Henri-Michel Comet (firstly as director of the territorial administration of political affairs), Paul Masseron (2004-2006), Pascal Mailhos (2006-2008), and Christophe Mirmand (2008-2010). Three sub-directors of the territorial administration served as the mainstays: Michel Aubouin (from 2002 to 2005), Laurent Prevost (2005-2007), and Jean-Paul Celet (2007-2009). Their deliberations on reform took place in connection with those underway at the Association of the *corps préfectoral* and senior officials of the Interior (*Association du corps préfectoral et des hauts fonctionnaires de l’Intérieur*), headed by Daniel Canepa from 2008.

for modernization and territorial action (*Direction de la modernisation et de l'action territoriale*, DMAT).<sup>1</sup> They sought to trigger a reorganization because of two threats that hung over prefects at the time.<sup>2</sup> The first of these was the renewed decentralization initiated by Jean-Pierre Raffarin, which was accompanied by numerous transfers of civil servants, and accelerated the decline of state field services at the level of the *département*. Already challenged by the first laws on decentralization passed in the 1980s, the *corps préfectoral* found itself further weakened in the face of local collectives that had taken advantage of this fragmentation to play on oppositions between devolved services. In relation to the regionalization promised at this time by the prime minister, the ministry of the interior also sought to strengthen the coherence of ministerial organization at the regional level. The second, and most important threat, was the passing of the Organic Law Relating to the Laws of Finance (*Loi organique relative aux lois de finances*, LOLF). Based on strictly ministerial divisions, the budgetary architecture of the LOLF presaged a reinforcement of sectoral logics, weakening the prefects' capacities for integration.<sup>3</sup> In their drafting of operational program budgets (*budgets opérationnels de programme*, BOP) that were focused on the regional level, and in the context of experimentation with the LOLF instruments, most devolved administrations highlighted the risk of the marginalization of prefects.<sup>4</sup> Here the perception that the institution was ill-prepared for major changes in the environment fueled the idea of a latent contradiction, engendering critiques of the existing arrangements and leading to the development of alternatives.<sup>5</sup> Yet these alternatives certainly did not come from low-ranking individuals on the periphery of the field, or influential outsiders, as some of the literature on institutional entrepreneurs would have it, but from actors at the very heart of the ministry of the interior.

In response to changes in their actual (the verticality brought about by the LOLF) and possible context (the increased importance of the regional tier and anticipated budget cuts), changes perceived as threats, this prefectural elite developed a schema of reorganization designed to reinforce prefects' prerogatives and capacities for reform. For these institutional entrepreneurs, it was a matter of repositioning prefects *within* the bureaucratic space internal to the state (both vertically, through the defense of a decentralized organization threatened by central administrations and reinforced by the LOLF, and horizontally, in competition with other *corps* and ministers) and of maintaining their power within a politico-administrative system reconfigured by the planned decentralization (in relation to local government). This initiative was

1. The reform of the central administration of the ministry of the interior from 24 January 2004 brought with it the creation of a secretariat-general comprising four directorates. At this time, the directorate-general of the administration was transformed into the Directorate of modernization and territorial action, itself comprising three subdirectorates (political affairs and collective action; *corps préfectoral* and civil administrators; territorial administration). Signaling the importance placed on these questions, the director of modernization and territorial action was ranked as deputy secretary general to the ministry of the interior.

2. At the moment they became preoccupied with this issue, these senior officials from the *corps préfectoral* were characterized by having come through the ENA, the elite *École nationale d'administration* (something common in prefects in territorial posts, but not sub-prefects, the *corps* drawing its officers from the promotion of officials from the *préfectures*, and by accepting police and military personnel); and by successful careers chiefly centered around the ministry of the interior.

3. Bezes, *Réinventer l'État*, 446-59.

4. A program operating budget (*budget opérationnel de programme*, BOP) includes the part of a program's funding made available to an official responsible for a certain area of activity (certain parts of the program, for example) or for a given territory (a region, a *département*, etc.), in theory so as to enable the management of funds.

5. On the role of contradictions endogenous to an organizational field as a driver of critique and change, see M. W. Seo and D. Creed, "Institutional contradictions", 231.

the starting point for an institutional program through which these reforming entrepreneurs would ensure the survival of the prefectural logic, while transforming the ways in which it would be manifested. It led to the adoption of the decrees of 29 April 2004 on the powers of prefects and the organization of the state, of 5 October 2004 on regional state concentrations and territorial organization in the regions, and of 14 October 2004 on the delegation of the management of state services.<sup>1</sup> Although these decrees tended formally to reinforce the position of regional prefects (now responsible for “leading and coordinating the work of departmental prefects”, and endowed with resource-sharing instruments designed to bolster their capacities for the coordination and direction of field services), the measures they put in place remained rather modest.<sup>2</sup> The October 2004 decree introduced an initial reconfiguration of services in the form of the creation of regional focal subject-areas. Although they constituted little more than a stimulus for cooperation between services, in the eyes of the DMAT these regional clusters prefigured a new organizational schema articulated around a few powerful regional directorates, centered on the regional prefect, and designed to arm the state in its struggle against local governments, and especially against regional councils, which were then supposed to be strengthened by the second phase of the planned decentralization.<sup>3</sup>

However, the schema of reorganization imagined by the DMAT did not benefit from sufficient political support, a necessary condition for successful interministerial arbitrage in this domain. The first mechanism discussed above, that of the involvement of political actors in the organizational form under construction, was largely absent. Mobilized by his chief of staff and deputy chief of staff, Claude Guéant and Daniel Canepa, minister of the interior Nicolas Sarkozy perceived the risk that LOLF represented for the remit of prefects, but swiftly renounced any demand for it to be reconsidered. This lack of movement on the LOLF owed to the very large parliamentary consensus achieved upon its adoption in 2001, and to the dogged defense of it mounted by the Minister for the Budget and Budget Reform, Alain Lambert, himself considered to be one of its two founding fathers. Neither was the prefectural cause defended at the Élysée - indeed, the secretary general of the Élysée and his deputy had come respectively through the diplomatic corps and the Council of State. The prime minister, whose chief of staff from 2003 and advisor on state reform had come through the Council of State, was equally uninterested in the subject.

“The only thing that got Jean-Pierre Raffarin excited was decentralization; he saw everything from the perspective of decentralization. ‘Carry out decentralization and state reform will follow; it will be the natural consequence.’” (Interview, prime minister's office)

Lacking any political representative, and still divided between advocates of a regionalist approach and a departmentalist approach, the *corps préfectoral* had trouble making itself

1. Article 25 of the decree of 29 April 2004 on the power of prefects states that “When many services or parts of devolved services compete for the implementation of the same state policy, their total or partial merger may be carried out. The merger is proposed by the prefect or by one of the ministers to whom the services or parts of services in question relate, on the basis of a previously completed impact study.”

2. The departmental tier still remained the ordinary framework of application for state policies, with the strengthening of the regional tier concerning only strategic functions. The affirmation of the prerogatives of regional prefects remained limited: as the minister of the interior noted, “the regional prefect must henceforth animate and co-ordinate the action of departmental prefects. This does not mean that the powers of departmental prefects are modified, but that they must be inscribed within a regional logic in the domains of competence of the regional prefect” (Bezes and Le Lidec, “L'hybridation du modèle territorial français”).

3. Patrick Le Lidec, “La réforme des institutions locales” in Virginie Guiraudon and Olivier Borraz (eds), *Politiques publiques I* (Paris: Presses de Sciences Po, 2008), 255-88.

heard in this context.<sup>1</sup> Once the redrafting of the 2004 decree on the authority of prefects had been secured (confirming the prerogatives of regional prefects), the minister of the interior no longer involved himself in the issue, preferring to concentrate his efforts on the more electorally fruitful question of policing.

Following interministerial negotiations with the secretaries-general of other ministries, the secretary general and the deputy secretary general of the ministry of the interior, at the head of the DMAT, did not succeed in *imposing* mergers of other ministries, but only obtained the right to *propose* them, and to launch experiments in the reorganization of the architecture of departmental services.<sup>2</sup> They also lost out to the ministry of the budget in negotiations on resource-sharing. Yet meanwhile, during the same period, the DMAT had sketched out an institutional reform narrative that would potentially enact profound changes to the territorial and organizational affiliations of the ministries, and in doing so, reinforce “prefectoral authority”.

After a phase of catching up with the reorganization projects proposed by departmental prefects, several merger plans were tested in pilot *départements*, starting in January 2006.<sup>3</sup> In the Lot *département*, the ministry of the interior trialed an organization of state services (*organisation des services de l'État*, OSE) cut back to four directorates placed under the authority of a prefect endowed with an expanded management team. This OSE embodied the institutional vision of the DMAT, which had fully worked out its preferred solutions, yet remained in search of a favorable context within which to carry them through. The ministry of infrastructure, for its part, was authorized to merge not only the departmental directorates of infrastructure and agriculture (*directions départementales de l'équipement et de l'agriculture*, DDEA) into eight departments from 2005, but also their staff - a merger envisaged as a first step towards the wholesale fusion of the two ministries themselves. In addition, from 1 January 2005, the ministries of economy, finance, and industry, and the ministry of ecology and sustainable development trialed the merger of the regional directorates of industry and the environment (*directions régionales de l'industrie et de l'environnement*, DRIRE) with the regional directorates of the environment (*directions régionales de l'environnement*, DIREN) in four regions. The budget directorate kept its distance from such experiments, and did not develop any particular vision of the intended territorial organization. Suspicious of the plans for reorganizations and mergers, which it considered inflationist, its initial approach was to make savings through a ministry-by-ministry negotiation, according to the logic of a so-called “directional gain in productivity”: once the level of job losses was fixed, each ministry would be granted full sovereignty over the way in which the savings

1. Hailing from the older generation, the interior affairs advisor to Jean-Pierre Raffarin remained clearly departmentalist, which acted as a brake on the deployment of the project of the “prefectoral elite”. On the contrary, representatives of the latter were noticeably strengthened following the nomination of Dominique de Villepin as prime minister, with his office being directed by a prefect (Pierre Mongin), and his interior affairs advisor (the prefect Henri-Michel Comet) being heavily involved in the REATE. Henri-Michel Comet was successively director of territorial administration and political affairs at the ministry of the interior (2002-2004), then director of modernization and territorial action (2004), before being appointed deputy director of the office of Dominique de Villepin, first as minister of the interior and then as prime minister (2005-2007). He took over Bernadette Malgorn's post as secretary general of the ministry in 2009 and, along with Daniel Canepa, promoted the circulation of the regionalist model throughout the 2000s.

2. Circular of 28 July 2005 relating to the implementation of propositions for the reform of the departmental administration of the state; circular of 2 January 2007 relating to the implementation of propositions for reform of the departmental administration of the state.

3. Prime minister's circular, 2 January 2006.

were to be achieved. It advocated the idea of a generalized cut in staffing that would still leave responsibility to each ministry for making its own decision on the staffing ceiling. In general, throughout the period 2006-2007, many ministerial actors put forward solutions, but none of them enjoyed either the political support or sufficient legitimacy to move beyond these experimental trials.

### The rise of mergers as a model of rationalization (2004-2007)

In the ministry of the interior's DMAT strategy analyzed above, the merger of devolved services was conceived as a way to rethink the territorial governance of the state in terms of reconfigured services placed under the authority of prefects. Within this framework, reform was largely a reflection of the views of the ministry of the interior, and expressed a very specific set of political stakes. Over the period between 2004 and 2007, an isomorphism linked to the diffusion of the organizational model of the merger would constitute a powerful mechanism for the abolition of sectoral divisions and the legitimization of mergers.

The diffusion of the organizational model of the merger, in the French context, would be accomplished through the appointment of Nicolas Sarkozy as the minister for the economy and finances in 2004, at the same moment that he put himself forward as candidate for the leadership of the UMP. A small group of reform-minded senior officials, including young members of the general inspectorate of finances, played a pre-eminent role in this diffusion, consolidating and refining the entourage of the candidate, and assuring that the ideas and conceptions for state reform that had emerged in the reform commissions created in the mid-2000s were promptly disseminated among those close to him. In response to problems of budgetary sustainability, in 2004 the Camdessus Commission had recommended a "tightening-up of governmental structures" and a stronger and more general role for ministerial secretaries-general and had proposed making state reform an essential pillar of governmental politics in order to drastically reduce public expenditure.<sup>1</sup> In 2005, the Pébereau Commission had also recommended "establishing, under the authority of the prime minister, measures for the re-examination of all state expenditure so as to have broadly realigned it within the next three years",<sup>2</sup> as well as a systematic re-examination of the effectiveness of many organizations created over the years "with the aim of reducing their number through a merger of those with a similar remit", and "to concentrate state resources mainly at the regional level".<sup>3</sup> The reporters of these two important reform commissions (who had studied the British, Canadian, and Swedish spending reviews) included the UMP presidential campaign team, and played a foremost role within the working group on state reform presided over by Claude Guéant, the principal collaborator of Nicolas Sarkozy. Apart from young finance inspectors, this working group also brought together very young civil servants from the budget directorate, the secretary general of the ministry for the economy and finances, young members of the *corps préfectoral* (one of whom had managed the project before Claude Guéant and had been a linchpin in the preparation of the program), a few company directors, and some consultants. It is this group that conceived the project that would become the RGPP, and pushed forward the merger model.

1. Michel Camdessus, *Le sursaut: Vers une nouvelle croissance pour la France* (Paris: La Documentation française, 2004), 126.

2. Michel Pébereau, *Rompre avec la facilité de la dette publique: Pour des finances publiques au service de notre croissance économique et de notre cohésion sociale* (Paris: La Documentation française, 2006), 120.

3. *Ibid.*, 174.

At this stage, however, the advocacy of mergers was primarily due to the belief - shared by Nicolas Sarkozy - that there was a great deal of redundant duplication of services within the state organization, and to the conviction, hammered home by the Pébereau Report, that “the proliferation of officials brings with it a fatal increase in expenditure”.<sup>1</sup> Among this small group of reformers, three virtues were attributed to the merger. The first was of an economico-budgetary nature: the belief that to reduce public expenditure, the number of public agents and administrative structures must be reduced.<sup>2</sup> Establishing larger entities would allow the full application of the principle of “asymmetrical fungibility” promoted by the LOLF, by making it possible to redeploy funds from one public policy to another, while realizing gains through the consolidation of office space and staffing by way of sharing “support” functions across offices.<sup>3</sup> Organizations with expanded boundaries would favor the implementation of austerity measures by minimizing the consequences of budget cuts, which could be made neither through an overly centralized and uniform process (where cuts would be blind) nor within overly small entities (which would have neither the sufficient financial expertise nor the margin of maneuver, given the age distribution of their staff). Based on the idea of limiting motives for non-cooperation, the constitution of large organizations would *a priori* strengthen the autonomy of local managers, forcing them to internalize constraints and facilitating the rollout of budget reallocations.<sup>4</sup> But in the view of the reformers gathered around would-be leader Nicolas Sarkozy, the merger also boasted a second virtue, of a more political nature. They believed that it constituted a vector for the rationalization of decision-making processes that would reduce the need for arbitrage at a higher level, restoring the strategic capacities of public decision-makers by constraining administrative actors to more or less orthogonal rationalities, limiting their role to that of developing compromises, and reducing the costs of coordination that tended to water down the authority of decisions and the responsibilities of decision-makers.<sup>5</sup> As one senior official, a member of the president’s office, puts it:

“The idea was, above all, to bring together people who were pulling in different directions on public policies, to put them together and to say: ‘Here, you have objectives, you must find out how to meet them in the right way, within numerous constraints; and what’s more, you have to make your own proposals, and agree among yourselves.’ That was the idea rather than a system where everyone sets up camp in their own extreme position and waits for some arbitration that will steer as closely as possible to the middle way. Because that approach doesn’t produce very effective outcomes.” (Interview)

Finally, the myth of the merger rested upon a third belief, this time managerial: that a tightened-up organization is more legible from the exterior and to its users, and improves the service experience (the front office) through a “one-stop shop” approach. The importation of the models of the program review and of the merger was in fact ensured by the reporters of these two reform commissions, who passed the ideas on to Claude Guéant.

1. *Ibid.*, 95.

2. Camdessus, *Le sursaut*, 123.

3. In practice, these anticipations were countered by the process of harmonization of staff remuneration within the larger budgets created. The job classification of the directorate of the territorial administration of the state proceeded according to a top-down alignment of the most highly-paid *corps*.

4. This conception has been well documented by François Riahi in Edward Arkwright *et al.*, *Économie politique de la LOLF* (Paris: La Documentation française, 2007), 327-50 (343).

5. Audit report on the coordination of government work (*Rapport d'audit sur la coordination du travail gouvernemental*).

“When François Riahi was head of the bureau of budget coordination he wanted to copy the British model, so, in the working group on state reform, the program review was his flagship project in politico-electoral terms. He sold it to Guéant, who just took it up wholesale, insisting that it would have to be headed up by the president, or in any case by the Élysée and Matignon.”<sup>1</sup> (Interview, senior finance official, member of the internal working group of the UMP)

The role of the reporters was confirmed by the principal inspiration behind the Sarkozy program on this point.

“It was the Canadian experiment that inspired 2007-8: for example, the initiative of bringing together very high-level officials.” (Advisor on state reform at the Élysée, 2007-2008)

Furthermore, the way in which these senior officials played the role of diffusers of ideas enables us to understand why, from the UMP’s economic convention of 7 September 2005, Sarkozy “propose[d] to initiate, following the example of Canada, a ‘spending review’ and [...] to apply a rule of non-replacement of at least one half of retiring officials, sharing the gains in productivity thus realized with the remaining officials”.<sup>2</sup>

### **Initial design of the reorganization of the territorial state (July-December 2007): the activation of the prefects’ reform narrative as the result of political mechanisms and isomorphism**

Following the election of Nicolas Sarkozy as president, the reform of the territorial administration of the state saw a brutal acceleration that resulted in an unprecedented rationalization of the territorial administration, with state services going from eighteen to eight at the regional level, and from thirty to four or five at the level of the *département*, and with hundreds of structures being abolished across the full extent of the territory. Two mechanisms explain the passage from the “soft” formulae promoted in 2004 (such as regional focal clusters) to a reform regarded as being among “the most radical and sweeping of the past few decades”, according to the 2012 inspectorates report: on one hand, the promotion of the merger model and its diffusion among the president’s entourage, which constituted a justification for the ministry of the interior to contextualize and legitimate its reform plan within a more general framework; and on the other hand, the arrival into the top echelons of government of members of the *corps préfectoral*, who were then in a position to bring the reform plans developed by the DMAT during the preceding presidential term onto the presidential agenda.<sup>3</sup>

#### **The legitimating force of isomorphism: when the reorganization of devolved services meets the standard of the merger**

Now embracing a threefold justification - economico-budgetary, political, and managerial - the meaning of reorganization by merger evolved and became more general. The merger no

1. After graduating from the *École centrale de Paris* (1995), Sciences Po, and ENA (2001), François Riahi entered the inspectorate-general of finance. He was head of the office of budgetary co-ordination at the budget directorate. A reporter on the Camdessus Commission, he assembled Nicolas Sarkozy’s presidential campaign team, later becoming advisor to the president in charge of reform of the state and public finances.

2. Speech by Nicolas Sarkozy at the economic convention of the UMP, 7 September 2005.

3. Report IGA, IGF, IGAS, *Bilan de la RGPP et condition de réussite d’une nouvelle réforme de l’État*, September 2012, 34.

longer appeared to be an instrument that favored the prefect. It became progressively an all-purpose device to be applied everywhere, including in the case of the reform of the territorial state. If its legitimacy already seemed a given, its wide diffusion as a standard throughout the French administration would be amplified under the influence of the consulting sector, whose role in the making of state reform policy was to expand over the course of the 2000s.<sup>1</sup> In June 2007, the creation of an enlarged ministry of budget, public accounts, modernization of the state, and civil service, and the appointment of an ex-consultant, Éric Woerth, to direct it, confirmed a change in strategy concerning the sources of expertise for reform. This growing involvement of consultants was to have powerful effects on the central devices of the politics of reform - the sharing of support functions, “lean management”, and shared service centers - thus disseminating the merger as an organizational standard. In a symbolic move, the Ministerial Council of 20 June 2007 announced two pilot reforms that were to serve as a leitmotif for subsequent reorganizations: the merger of the general directorate of taxes (*Direction générale des impôts*, DGI) and the general directorate of public accounting (*Direction générale de la comptabilité publique*, DGCP) with the creation of the general directorate of public finances (*Direction générale des Finances publiques*, DGFIP); and that of the ANPE and the UNEDIC with the creation of the employment center (*Pôle emploi*). Both were defended in the name of establishing a one-stop shop. Having been a leitmotif of the original advisors on the modernization of public policy, rationalization via mergers between providers who covered the same ground became a principle applied everywhere - as proven by the abolition of thirty or so structures of central administration and various bodies with a similar or complementary remit.

### The activation of a prefectural reform narrative at the highest echelons of the state, and its political support

All of these reasons for implementing a merger policy do not suffice, however, either to explain why the reform of the territorial administration of the state became such a priority in 2007, nor why the program adopted to pilot it came in the specific form of the RGPP. This prioritization, and the decision to pilot the program in this fashion, are explained by the arrival at the highest echelons of the state of a group of senior political officials who came from the *corps préfectoral*, and who were veritable institutional entrepreneurs determined to ensure the triumph of the vision of the REATE that had been nurtured by the secretariat-general of the ministry of the interior since the beginning of the 2000s. In the same way in which, under the Third and Fourth Republics, the periodic reaffirmation of prefectural prerogatives coincided with the overlapping of the remit of minister of the interior and that of the president of the council, or with the accession of a member of the *corps préfectoral* to the presidency of the council, the way in which the REATE was understood from summer 2007 clearly reflects Claude Guéant’s adoption of the project.<sup>2</sup> Having spent his whole career in the *corps préfectoral* following his graduation from the *École nationale d’administration*, and sharing many of the characteristics (in terms of career trajectory) and many of the convictions of the elite of the *corps préfectoral*, with whom he identified deeply, Guéant intended to grasp the opportunity granted by his appointment as secretary general

1. Philippe Bezes, “État, experts et savoirs néo-managériaux: les producteurs et diffuseurs du New Public Management en France depuis les années 1970”, *Actes de la recherche en sciences sociales*, 193, 2012, 16-37.

2. We should recall here that the 1964 reform was initiated by Michel Debré, deeply attached to his prefectural role at the Liberation as commissaire of the Republic.

of the Élysée to ensure that the institutional narrative of territorial reform forged by the “elite” of his original *corps* would prevail.<sup>1</sup> Director of Nicolas Sarkozy’s office for five years, from 2002 to 2007 (during four of which Sarkozy was minister of the interior), manager of his presidential election campaign in 2005, and a confidant of the new president thereafter, he felt well placed to use the framework of the RGPP to impose the DMAT’s reform agenda, even on the newly appointed minister of the interior (Michèle Alliot-Marie). In drafting the mission statement to be addressed by the president of the Republic to Michèle Alliot-Marie, Claude Guéant assigned her a very precise objective concerning territorial administration:

“You will proceed with a reorganization of state services between departmental and regional levels, with the twofold aim of better responding to the needs of our country and our fellow citizens, and reducing the size of the state administration in favor of a lighter, more supple, and more strategic administration. *Within the framework of this general schema, you will grant regional prefects full powers to allocate staff to the different state services.*”<sup>2</sup>

Reassured by this letter, the secretary general of the ministry of the interior and, in the background, the *corps préfectoral*, finally felt itself in a position to obtain the decisions it had been unable to secure from 2002 to 2007. As a senior official close to the prime minister notes:

“This idea of reform dated from a certain moment [...] the prefects had complained that there were too many services – not a new idea. Well, the ministry of the interior had worked a great deal on these questions, and so they said: ‘That’s it, we have the support of Claude Guéant and the prime minister, so we can go ahead.’” (Interview)

Beyond the capacity to influence the agenda and decisions to be made, Claude Guéant’s installation at the Élysée was experienced as a “historic” opportunity for the *corps préfectoral*, something capable of setting off a chain reaction. It resulted in the appointment of a number of prefects to the heads of government offices, whether as prime minister’s chief of staff, as head of one of the many ministries affected by the REATE (agriculture; ecology, energy, sustainable development and planning, in particular), or as secretary general of one of these ministries.<sup>3</sup> The working group created to examine state reform at the local level, formally assigned to the (already overworked) secretary general of the government, was in practice placed under the operational responsibility of Bernadette Malgorn, secretary general of the ministry of the interior – something that did not fail to cause discontent among the competitive *corps* (the *Corps des ponts et chaussées* and *Corps des mines*), which had no representation within the group. Thus the RGPP appeared as an opportunity to promote a prefectural interpretation of the mooted reorganization, and this in spite of the reservations voiced by the Budget minister, who was concerned by the prospect of a “weakly documented”

1. As secretary general of the Élysée, and then minister of the interior, he continued to insist on being called “Monsieur le préfet” by his subordinates. Once he was named as minister of the interior, he took the initiative, in the decree of 5 March 2012, to create a history committee – not of the ministry of the interior, but “a committee for prefectural history”.

2. Mission statement of the president of the Republic, addressed to Michèle Alliot-Marie, minister of the interior, overseas territories and territorial communities, on priorities in public security and territorial administration, 30 July 2007.

3. The prime minister’s chief of staff had initially opted for the state council when he came out of the ENA. But he also chose to be seconded to the *corps préfectoral* (as prefect of Loir-et-Cher, of the Vendée and of the Alsace region), thus demonstrating his attachment to a role that his father and grandfather had played before him.

reform - in other words, one that lacked any precise details of the costs of, and potential savings to be made by, the proposed mergers.

The secretary general of the ministry of the interior “went ahead like a bulldozer” (according to a member of the minister’s office), believing that she was on the road to prefectural revolution, as a senior official in the prime minister’s office told us, with careful understatement:

“Bernadette Malgorn in 2007, you know, she wasn't exactly faint-hearted. She didn't feel like she was in a position of weakness.”(Interview)

The elite of the *corps préfectoral* now seemed convinced of its capacity to *impose* its preferred organizational form by means of the political support it had mustered, rather than having to negotiate it with its competing *corps* (the *Corps des ponts et chaussées* and *Corps des mines*, in particular) and bringing them on board with the proposed changes.<sup>1</sup> A strategy of opening up prefectural posts to the other *corps*, through a few symbolic nominations (for example, to an *Ingénieur des ponts*) was certainly mooted within the ministry of the interior, but it came up against an objective limit, namely the already (too) high number of prefects paid but without positions - a problem that had been regularly raised by the *Cour des comptes* (Court of Auditors). A few promises of appointments were certainly made, but they were far too rare to convince the other *corps* that they had any interest in adhering to the new institutional order, or to stand down in their dissent.<sup>2</sup>

In a confidential document dated 18 October 2007, the group RGPP “État local” (“Local state”) proposed a global diagnosis and a set of solutions that betray the influence of the ministry of the interior and its reform narrative. At the regional level, “the logic of the merging of services must be prioritized over the logic of centers”, and “each ministry would not necessarily retain its own devolved field network, even at the regional level” - something that suggests the threat of dismantling the particular territorial affiliations of the ministries. Still at the regional level, several merger scenarios were floated involving the creation of enlarged ministries, systematically including the notion that the various decentralized networks of such a ministry would be entirely integrated with each other. At the level of the *département*, the audit recommended a merger of services into a small number of interministerial directorates or prefectural services. In addition, the ministry of the interior proposed to realize the budget savings required by the RGPP by putting in place a single budgetary envelope (a regional Operational Programme Budget called BOP, within the framework of an interministerial program for the territorial administration of the state) bringing together the operational budgets of all decentralized state services, including personnel budgets, under the authority of the regional prefect.<sup>3</sup> This group and the report that it produced convey the importance of the institutional work of reconfiguring the historical prefectural logic, which,

1. On the alternative between these two strategies, see Fligstein, “Social skill”, 21.

2. Two appointments would come late in 2009: that of Dominique Sorain, administrator of maritime affairs, secretary general of the ministry of agriculture as prefect of the Vosges; and that of Pascal Lelarge, graduate of X-Ponts, who had had a career in infrastructure as prefect of the Yonne. Apart from numerous posts at SGAR for which recruitment is interministerial and which are mostly occupied by engineers from the *Corps des ponts* (and apart from the second career of Christian Leyrit, beginning in 1999), the latter are absent from prefectural posts.

3. Without any impact on the statutory management of personnel (which was left to ministers), this program would have been attached either to the prime minister (but in this case its administration would be the responsibility of the ministry of the interior), or directly to the minister of the interior; in practice, it would have been

in these proposals, is both reproduced and remodeled to fit the dimensions of the regional scale.

In this initial move, the role of politicians was downplayed, since it was political senior officials who took on the project of reform. No doubt cognizant that “most citizens do not get terribly excited about the arcane details of public administrations”, neither the president nor the prime minister were directly involved in these matters.<sup>1</sup> They did however endorse the merger in two ways. Firstly, following the logic of court politics, the constitution of ministerial portfolios gave rise to the creation of “super-ministries” via mergers. The new role of head of the ministry of energy, environment, sustainable development and planning (*Ministère de l'Énergie, de l'Environnement, du Développement durable et de l'Aménagement du territoire*, MEEDDAT), which initially even included agriculture, responded not just to the concern to pre-empt a theme that was increasingly marked on the left (as the multiparty debate on the environment would show) but also to the political and protocolary exigency of offering a post that measured up to the political stature of its first appointee, former prime minister Alain Juppé.<sup>2</sup> The creation of an enlarged ministry of the budget, public accounts, and civil service, endowed with a certain autonomy from the prime minister (in place of and instead of a traditional state secretariat, possibly attached to the prime minister's office) stems from the same cosmetic logic (austerity) and calibration of the political pecking-order (here, reducing the prerogatives of the prime minister). The executive power thus experimented with mergers on a grand scale by producing reformatted ministerial portfolios designed to serve as a model. Secondly, this same executive power perceived the possible political uses of reorganization. The mergers proposed within the reform of the territorial state were presented to them as both sources of budget savings and tools for the reshaping of politico-administrative relations, which would surely help the political executive to shorten the hierarchical chain, all the better to control the state apparatus, to ensure its obedience, its reactivity, and control over the civil service. The tightening of the state architecture was a matter of rendering it more “supple” and of ensuring that it could be kept “on a short leash”.<sup>3</sup> As an advocate of this reform in the prime minister's office puts it, “if you want your ministry to be reactive, then it has to be able to explain the policy it intends to pursue to no more than four, five, or six high-level interlocutors at a high level. So having four or five central administration then arranged in a pyramid at the field level is coherent with the system as a whole” (interview, prime minister's office). Mergers are thus an occasion upon which to identify a very small number of very senior officials with heightened responsibilities: the secretaries-general of the large ministries, regional directors (one single regional director per large ministry), and regional prefects. They further the objective of the political control of bureaucracy and the need to realize the publicized objectives of public policies.<sup>4</sup> Incidentally, the merger is also grasped by the incumbents of executive power as an opportunity to

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placed under the authority of prefects. Its management would have been delegated to SGAR at the regional level, and to the general secretariat of the departmental administration of the state (SGAD), created especially for the occasion, and distinct from the general secretariat of the prefecture. The intended organization of state services at the departmental level would thus have been founded on a schema very much integrated around four directorates.

1. T. M. Moe, “The politics of bureaucratic structure”, 268.

2. On the creation of this major ministry and the way in which the REATE was developed within it, see Lascoumes *et al.*, *Le développement durable*.

3. Camdessus, *Le sursaut; Inspection générale des Finances et Conseil d'État, La coordination du travail inter-ministériel: Mission d'audit de modernisation* (Paris: La Documentation française, 2007).

4. Moe, “The politics of structural choice”, 141.

renew their hold on the prerogative of appointments, against the (overly) tight control exercised by certain *chefs de corps*, particularly those of the technical *corps*.

And yet, apart from the secretary general of the Élysée (already seen as a politician, although unelected), the involvement of politicians in this project remained indirect. This is the case above all for minister of the interior Michèle Alliot-Marie, who deliberately distanced herself from the whole project, leaving it to the secretary general of her ministry without taking part in the process herself. Following a consultation carried out on the orders of the secretary general of the ministry of the interior, the first Council decision on the modernization of public policy (*Conseil de modernisation des politiques publiques*, CMPP), passed on 12 December 2007, conforming in many aspects to the ministry of the interior's core doctrine: strengthening of the regional tier, authority of the regional prefect over the departmental prefect (except in the domains of public order and public utilities), creation of eight regional directorates, of an interministerial program of territorial administration, and of interministerial departmental directorates. Thus, the imprimatur of legitimation endowed by the leit-motif of rationalization via mergers, together with the explicit political mandate given by the involvement of the executive power, led to the activation of a reform strategy pushed through by an institution: the secretariat-general of the ministry of the interior. Senior officials from the *corps préfectoral*, on the basis of the exceptional delegation of political power granted them in the settlement that followed the 2007 elections, thus made themselves the institutional entrepreneurs of a reform project that had been developed between 2002 and 2007. The scenarios put in place by the RGPP "État local" group and the initial takeover of power reflected their particular skill set (an intimate knowledge of the machinery of the territorial state), their capacities for strategic action, and their legitimate right to negotiate a transformation of the historical prefectural logic.

### **Redesigning the ministerial jurisdictions of the territorial state: from political opposition to bureaucratic negotiation (January 2008-31 December 2008)**

**T**he enabling of the prefects' vision during August-December 2007, and the publicizing of the first outlines of the decision within the framework of the CMPP of 12 December 2007, immediately provoked a resurgence of conflicts that set the ministry of the interior against various sectoral ministries, as well as the ministry of public accounts and state reform - conflicts over representations of what the territorial state should be. The REATE schema imposed in 2007 came to be the major stake in a process of politicization that involved the respective political weight of ministers, and led to jurisdictional struggles between ministries wherein it would be the mechanism of political bureaucracy that would prevail. It was the conflicts and compromises negotiated here that would produce the final organizational form of the territorial state.

#### **The politicization of institutional struggle**

Toward the end of 2007, the sectoral ministries set about adopting what was essentially a defensive posture, by attempting to counter the "unfriendly take over bid" of the ministry of the interior so as to conserve the organizational, budgetary, and statutory autonomy of their territorial networks. They criticized the ministry of the interior for trying to push its plans through by force and for "breaking the professional links between interministerial

departmental directorates and central ones, and disconnecting the departmental level of the central directorates from the regional level”.<sup>1</sup>

From November 2007 to February 2008, this conflict took a political turn, manifesting the presence of the court politics mechanism: the new organizational boundaries were modeled on the various political mobilizations of ministers, but also those of senior officials endowed with more or less extensive political resources, as well as union organizations. Certainly, the forms chosen for the new territorial administration of the state seemed chiefly of interest to the *corps* and the ministries (since they saw in them so many opportunities to preserve or enlarge their remit, and to occupy strategic positions); consequently, they initially elicited no interest from the politicians. And yet some of the latter, alerted by the *chefs de corps* to the potential risks of inaction, would nonetheless exert a strong influence on the compromises that would finally be adopted. Here, the extent of their influence would depend upon their political “weight”.

The Minister of Ecology, Energy, Sustainable Development and Planning, Jean-Louis Borloo, had a major role as a veto actor, faced with the initiatives advocated by the ministry of the interior. It was his political intervention in appealing to Nicolas Sarkozy and François Fillon that put a stop to the deployment of Bernadette Malgorn’s project. Totally absorbed by the debate on the environment, and thus initially indifferent to the REATE, the state minister suddenly intervened in the process in January 2008, when he discovered that the decisions to be adopted threatened to derail his own political survival because of the reactions of the engineers and union organizations connected to the ministry.<sup>2</sup> For, unable to make themselves heard directly by the minister, members of his office had mobilized the unions. Faced with strike action in favor of a national protest planned for 6 March 2008, Borloo put all of his political weight as head of the party and “number two in government” in the balance, obtained concessions on a number of issues likely to appease the staff of his ministry, and hurried to make them public in writing so as to prevent any backpedaling. In a letter dated 21 February 2008, he claimed to have obtained a favorable decision from the president and the prime minister on the following points: (1) the preservation of the devolved services of MEEDDAT, counter to the ministry of the interior’s intention to dismantle them; (2) the creation of regional directorates through the reconfiguration of DIREN, DRIRE, and the regional directorates of infrastructure (DRE) - securing the form of future DREALs, against the will of the ministry of the interior, which had opposed the addition of the DREs; (3) the creation of departmental directorates through the merger of the departmental directorates of infrastructure (DDE) and departmental directorates of agriculture and forestry (DDAF), the basis of future DDTs still in gestation; (4) the retention of housing services within the boundaries of these regional and departmental entities, against the ministry of the interior’s intention to give responsibility for housing to the regional and departmental directorates of social cohesion, while also placing the subdivisions of DRIRE within a departmental directorate in charge of risk management. Anxious to take advantage of a favorable balance of power, the minister then promised the unions that these organizations would no longer be under threat.

1. *Réforme de l'administration territoriale de l'État: optimisation des modalités de gestion budgétaire et de gestion des ressources humaines*, Report of the Inspection générale des Finances 2012-M-009-01, Inspection générale de l'Administration 12-013-01, 36.

2. “Borloo wasn't at all interested in administration, he totally ignored it” (Interview, office of Jean-Louis Borloo).

The political involvement of Borloo thus contrasts strongly with that of the still-absent minister of the interior. As a senior official at the minister of the interior recalls:

“It was Bernadette Malgorn [secretary general of the ministry] who was both the administration and the office.... Every time you spoke to M. Delpuech [director of the minister's office], he would just say ‘ask Bernadette’.” (Interview)

Anxious not to expend a political capital already diminished by her rivalry with Nicolas Sarkozy in the 2007 election, Michèle Alliot-Marie kept a low profile and refused to take a position in a conflict whose outcome remained uncertain, thus weakening the position of the ministry of the interior. As a member of the office of the ministry notes,

We didn't have the political support.... Michèle Alliot-Marie's engagement with the subject was non-existent. Non-existent. Objectively we had no political weight [...]. Finally [the minister of the economy] and [the minister of infrastructure] blew the whole deal out of the water, at least the deal as understood from the point of view of the ministry of the interior and the prefects.” (Interview)

This disequilibrium in the political resources of ministers, and their asymmetrical mobilization, was reinforced by the limited capability of senior political officials to mobilize their own political capital. As secretary general of the Élysée, Claude Guéant certainly boasted considerable influence, but in the absence of the electoral legitimacy conferred by a popular vote, he found himself unable to directly oppose a minister who, moreover, was head of a political party and number two in government. The secretary general of the ministry of the interior, who believes she could benefit from political protection under any circumstances, suddenly found herself extremely exposed, confronted with a cluster of multisectoral mobilizations. Two competing visions of reform then entered into a rather diametric opposition.<sup>1</sup> As a senior official recalls:

“Apart from the questions of power at stake here, there were two totally different visions in the ministry of the interior and the ministry of sustainable development. A hypercentralizing vision, very much regimented from above, with everything in its place [the vision of the former ministry of infrastructure], and an essentially decentralized vision, where subsidiarity is considered the primary principle of administration, which was that of the ministry of the interior.” (Interview, prime minister's office)

Minister of Agriculture Michel Barnier then officially made common cause with Jean-Louis Borloo to defend the DDEAs and a vertical vision for the functioning of the administration.<sup>2</sup> The Director of Public Finances Philippe Parini also benefitted from his personal proximity to President Sarkozy (they had been close since at least 1993, and addressed each other with the familiar “tu”) whom he had served well upstream of the presidential election of 2007 within the working groups internal to the UMP, to safeguard the boundaries of the ministry of economy, finances, and employment, and to refuse the move toward resource-sharing

1. Here our analysis converges with that of P. Lascoumes *et al.*, *Le développement durable*.

2. The positioning of agriculture was more subtle, however: “Agriculture is funny, because in meetings, Agriculture was always in direct disagreement with Sustainable Development. But behind the scenes, they would call us, saying ‘oh yeah, but even so, Sustainable Development wants to take the lead, we want to continue to exist, so there you have it.’” (Interview)

under the authority of the regional prefect.<sup>1</sup> Similarly, the DGFIP refused to allow its considerable estates to be included in the long-term plan for an estates strategy to be managed by the regional prefect. Most of the scenarios envisaged by RGPP “État local” group for the ministry of economy, finances, and employment and the ministry of public accounts, budget, and civil service, would ultimately be abandoned.

Following the maneuverings of late 2007-early 2008, directorship of the project which, up until that point, had been delegated by the RGPP monitoring committee (headed by the secretary general of the Élysée and the prime minister’s chief of staff) to the secretary general of the government - but which in practice was further delegated to the secretary general of the ministry of the interior - was withdrawn from the latter. Jean-Louis Borloo swiftly obtained agreement from the president and prime minister that the precise indications as to the implementation of the REATE should be struck from the record of decisions of the first CMPP of 12 December 2007. From the end of 2007 to March 2008, for a very brief period, political mechanisms once more influenced the ongoing redesign of structures. The transformation of the relations of institutional force between ministers, *corps*, and the unions that represented them led to major defensive arbitrage. In view of the risk of a deadlock owing to the overly divergent conceptions of reform expressed on the different sides, and in a concern to advance more prudently, the project was handed to a senior official close to the prime minister.

“So the prime minister officially took up the project, but in fact only to entrust it to his chief of staff. Which was not the same thing as before, because, let me remind you, for the RGPP, it was a committee who brought together Guéant and Faugère [the prime minister's chief of staff]. So from this point on, the project was headed up by a particular person - that is to say that it was the prime minister who was in charge of the project. And that isn't the same thing as the ministry of the interior – I was going to say, it was no longer the ministry of the interior. But neither was it Sustainable Development, who claimed to have the definitive vision on all of this.” (Interview, *Corps d'inspection* audit body)

Thus the process entered a third phase, a state of micro-bargains where a multitude of compromises were negotiated, on the model of a “bureaucratic politics”.

### MIRATE and the delineation of new organizational boundaries: the reign of “bureaucratic politics”

The contestations expressed at the beginning of 2008 constrained the executive power to discharge the ministry of the interior from leading the REATE, in favor of an inter-ministerial commission for the reform of state administration (*Mission interministérielle à la réforme de l'administration de l'État*, MIRATE). A small ad hoc structure of three people close to the prime minister, but counting on the co-operation of members of the *corps d'inspection*, MIRATE was supposed to play the part of judge and peacemaker between departments. To rebuild compromises and avoid all conflicts of interest, the commission was placed under the leadership of a senior official regarded as a secant-marginal<sup>2</sup>, appointed director of the project by the prime minister and chosen from the

1. “People would say, laughing: there are two ministers of finance: there is the minister of finance, and then there's M. Parini, who has the same access to the Élysée as the minister, you know.” (Interview, Cabinet).

2. This concept is from Haroun Jamous, *Sociologie de la décision: la réforme des études médicales et des structures hospitalières* (Paris : éditions du CNRS, 1969).

ranks of the *Cour des comptes* - that is, from outside the boundaries of the administrations affected by the REATE.

“The whole role of the director of MIRATE was to have the prime minister's office decide on all subjects, to propose an acceptable balance.” (Interview)

Only the creation of a “neutral” interministerial body seemed likely to ameliorate the conflicts and thus to keep reform moving. Although it implied a loss of influence of the *corps préfectoral* over the reorganization, the secretary general of the Élysée, thinking it only provisional, ceded to a prime minister weakened after some initial rather misjudged declarations.<sup>1</sup> Thus numerous central departments did not take MIRATE very seriously, believing that the structure, and the reform that it had to carry through, would not survive.

“They sent me the C-listers. I had all these people, random people just passing through, staff on secondment, etc. [laughs]. It was quite funny. To start with, they thought that that was it, that the reform was dead in the water.” (Interview, director of MIRATE)

Thus, under the aegis of MIRATE, there began a process of incremental negotiation, punctuated by a series of circulars and decrees spread out over two years.<sup>2</sup> For the purposes of this article, we will concentrate on the two major issues in the negotiation as it developed over 2008: projects for the management of the staff of the territorial services, and the boundaries and perimeters of the newly-merged forms of the territorial ministerial services. In the context of March 2008, when interministerial negotiations were uppermost, the situation corresponded to the model of “bureaucratic politics”: no minister had preponderant influence; each tried to impose a specific territorial anchorage that would be favorable to their ministry; and none of them could act unilaterally; so that the final design of the “territorial state” and the principles under which it would function were the result of a laborious process of negotiation in which MIRATE tried to achieve an interministerial balance and to pacify relations between various components of the administration.<sup>3</sup>

The first appeasement measure consisted of abandoning both the project of the constitution of a unique regional BOP and the creation of a specific post of secretary general for the territorial administration with responsibility for administrating it, distinct from that of the secretary general for regional affairs, the SGAR. The budget directorate had been particularly hostile to this, since they believed that merging *corps* and establishing a unique employment framework for public agents presented an inflationist risk, in comparison to the top-down harmonization of remunerations and allowances. The budget directorate was opposed to the transversal approach promoted by the ministry of the interior, which in its eyes raised problems of traceability and the uncertain attribution of civil servants to programs, and thus would make it difficult to measure the complete costs of public policies. Tactically, however,

1. The prime minister had declared on 21 September 2007, “I am at the head of a state in financial bankruptcy”, a remark which earned him a savage reprimand from the president relegating him to the rank of “collaborator”.

2. Circular of the prime minister, 19 March 2008, on the organization of the territorial services of the state; circular of the prime minister, 7 July 2008 on the organization of the departmental administration of the state, circular of 31 December 2008 on the departmental administration of the state, circular of 27 February 2009 on the mode of implementation and management of human resources, decree no. 2009-587 of 25 May 2009 on the duties of secretaries-general for regional affairs, decree no 2009-1484 on interministerial departmental directorates, decree no. 2010-146 of 16 February 2010 modifying decree 2004-374 of 29 April 2004 on the power of prefects, the organization and action of state services in regions and departments, etc.

3. Allison and Halperin, “Bureaucratic politics”.

it stepped back, leaving it to sectoral ministers to figure as the principal opponents of the unique regional BOP. The circular of 19 March 2008 declared the abandonment of the BOP. Simultaneously, MIRATE also had to give assurances as to the maintenance of statutory guarantees, assuring officials that they would continue to belong to their current *corps*, to benefit from the same guarantees in terms of their career trajectory, and that their remuneration would still be determined by the employing ministry. The circular of 7 July 2008 enacted this decision, against the wishes of the ministry of the interior.

“The sharing of management and human resources functions will respect the original status of each civil servant, and the link connecting them to the ministry to which they belong.”

The second central issue in the 2008 negotiations was that of the reshaping of the boundaries of devolved services. In the first instance, the organizational forms negotiated progressively over 2008 reflect, at least in part, the capacities of *corps* and of ministers to mobilize themselves so as to maintain control over their territorial services.

In this negotiation of organizational boundaries, ministers and directorates were not on an equal footing, and certain of them succeeded better than others in concluding advantageous alliances and/or making their specific professional concerns heard. The report of the RGPP group “État local” had already concluded that many organizations should be left intact: the regional directorates of culture (*directions régionales de la culture*, DRAC), those of agriculture and forestry (DRAF) and the services of the rectorate. This status quo would not be questioned. Similarly, the decision to create regional health agencies (*agences régionales de santé*, ARS) constituted a separate project that ended with their creation through legislation in July 2009.<sup>1</sup> As for the others, multiple scenarios were floated, with much space for negotiation. Amidst all these maneuverings, certain senior officials could prevail over political concerns; certain ministries had anticipated mergers by securing strategic alliances in advance of the reform; and certain organizational changes that had been felt at the level of ministerial portfolios had spillover effects on those being negotiated for territorial services.

The logic that prevailed on the regional tier, in the CMPP of 12 December 2007, was to create one large regional directorate per major ministry. The first CMPP fixed the principle here: it dictated the existence of eight directorates, without further specification. The corollary to this was that prefects would be given a free hand on the *département* level, organized according to an interministerial logic. The boundaries of the interministerial departmental directorates (*directions départementales interministérielles*, DDI) were not yet stabilized, but three directorates were already envisaged.

The first actual decision was on the merger of the DDEA, a ruling obtained by Jean-Louis Borloo following the unfavorable outcome regarding the regional BOP, and secured by an instruction of the prime minister on 23 January 2008. The following negotiation, on the delimitation of the boundaries of the new regional directorates, began with the least controversial subjects. In March 2008, the choice of regional directorates of public finance, a mirror of the merger carried out at the central level with the creation of the DGFIP, had to be made. The political weight of director Philippe Parini was in evidence here, but the subject was controversial, in particular as regarded the status of the DRFIP in relation to prefects. The DGFIP would negotiate directly with the prime minister’s office, eventually obtaining,

1. On the ARS, see Frédéric Pierru and Christine Rolland's article in this issue.

on 16 June 2009, a decree of the Council of State whose text makes no mention of prefects, even though theoretically all that falls outside the authority of the prefect is the calculation of the tax base and the accounting function. The role of regional director of public finance was deliberately constructed as an authority parallel to prefectural power.

The creation of DIRECCTE was a process of negotiation of organizational boundaries that harbored all the more potential for conflict because it was less fixed upstream, and was marked by a series of successive decisions and transactions.<sup>1</sup> In October 2007, RGPP group “État local” had proposed various scenarios for the development of services relating to the ministry of economy, finances, and employment (regional directorates of commerce and artisanry; of external commerce; of fair trading, consumer affairs, and fraud prevention), the ministry of labor (regional directorates of labor, employment, and training) and the ministry of industry (the industrial development service, under the former regional directorates of industry, research, and the environment). The report of 18 October 2007 envisaged the creation of an autonomous service in charge of economic development, so as to “ensure a certain appeal for the *corps de mines*” and “not to give too large a role to the future regional head of the DGI and DGCP as a whole” - a remark that gives a good sense of the rivalry between prefects and *ex-Trésorier payeur général* on the path to becoming regional directors of public finance. As for the employment and training services, they were the object of numerous debriefings, the main issue being where to place the “labor” part of the regional directorates of labor, employment, and training (DRTEFP), which were to bring together the *corps* of labor inspectors and controllers. During 2008, three successive organizational boundaries were laid out, each indicative of negotiations between a multitude of actors none of whom was in a position to radically enforce their views, but also expressive of the blend of rationalities involved in the bureaucratic politics redefining organizational boundaries: political mechanisms (although these were residual at this stage); the power struggles of those trying to maintain autonomy and influence; reflections on competencies and public policies; and taking into account the territorial level where these services were already anchored. In this configuration, the prefectural reformers would pass from the role of entrepreneurs of reform to the role of veto actors.

The first demarcation was announced in the prime minister’s circular of 19 March 2008, which defined some of the boundaries of the reorganization of the regional level into eight structures including a regional directorate of labor, employment, and business (*direction régionale du travail, de l’emploi, et des entreprises*, DRTEE) which brought together the formerly autonomous regional directorates and mirrored the central administrations. Initially, the logic of a regional directorate in charge of business, presented in the “État local” report, was upheld here, since employment, external trade, artisanal activity, fair trading, consumer affairs, fraud prevention, and industrial development would now be grouped together, reflecting the definition of the boundaries that resulted from the creation of the large ministry of economy, finances, and employment. The constitution of this large new ensemble, however, implied a decision against the MEEDDAT, which wished to see the industrial development service and its elite engineers stay within the DREALs. Secondly, the maintenance of labor, along with employment, was carried through, but resulted from another series of mobilizations. From September 2007 to May 2008, a commission of the sectoral audit of

1. Here we draw on the work of Antoine Caulet: “Construire une administration par fusion: les enjeux de la création des DIRECCTE au cœur du processus de la Révision générale des politiques publiques”, Masters’ thesis in political science, 2009, Sciences Po Paris; and on the interviews he carried out in 2010 in the context of the project MUTORG-ADMI, directed by Philippe Bezes and Patrick Le Lidec.

RGPP concerning the decentralized services of labor and employment played host to a struggle that set the general inspectorate of social affairs (*Inspection générale des affaires sociales*, IGAS) against the general inspectorate of finances (*Inspection générale des finances*, IGF), with the latter defending the autonomization of the labor inspectorate. The opposition was further entrenched by the inclusion of the former DRTEFPs, including labor and employment, within a broader organization. The risk of union conflict, along with the principle of the independence of the labor inspectorate guaranteed by convention 81 of the International Labour Organization, put paid to the idea that the labor inspectorate could be placed under the authority of the departmental prefects. Thirdly, the inclusion of the regional directorates of fair trading, consumer affairs, and fraud prevention (DRCCRF) under this vast directorate was also an object of debate, since an RGPP audit on the financial networks of the state had envisaged associating the CCRF services with what was to be the DRFIP, or grouping them under a specialized agency responsible for sanitary and food security. The fierce hostility of “État local” prefects to both of these solutions, since they refused to see the DRFIP growing even larger, along with the hostility toward agencies, led to the inclusion of the decentralized services of the DGCCRF within the future DIRECCTEs, on condition that the CCRT conserve its integrated departmental and regional network.

The second demarcation was announced by the CMPP of 11 June 2008 in the prime minister’s circular of 7 July 2008. Unlike that of March, the July 2008 circular defined the new forms of departmental state services. Although the autonomy of the inspectorate of the academy and the directorate of public finance were easily secured, the compromises developed at the departmental level were far more subtle. A first one led to the creation of two interministerial directorates, placed under the authority of the departmental prefect, without their content yet being stated precisely. This concession to the ministry of the interior was nevertheless counterbalanced by the simultaneous creation of “departmental units” for the DRACs, DREALs and DIRECCTEs. Three out of eight ministries were able to secure assurances that these units, later dubbed UTs (*unités territoriales*), would escape the direct authority of the departmental prefects, to the dismay of the ministry of the interior, which saw its capacity to control departmental staff strongly curtailed by this decision. On 31 July 2008, it was recommended that the DIRECCTEs should have two UTs at the level of the *département*: one bringing together the labor and employment services; another the fair trading, consumer affairs, and fraud prevention services (CCRF).

The third and last demarcation of the final boundaries of the DIRECCTEs came unexpectedly on 31 December 2008, with the publication of another prime minister’s circular. Confirming the interministerial character of the new DDTs and DDCSPPs as well as the principles of their governance (authority of the departmental prefect, the need for effective communication between the regional and departmental levels), an appendix of the circular detailed the distribution of competencies of the DDIs, and presents discreetly, as a technical detail, one last decision, this time in the favor of the prefects, as if in compensation. The CCRF UTs - that is, most of the staff of what would constitute the C (Competition and fair trading) arm of the DIRECCTEs, were now withdrawn from them and integrated, against their will and on the demand of the prefects, into the new DDCSPPs, which, up to this point, had been mere empty shells, lacking any services or staff.

This last turnaround provoked the resignation of the director general of fair trading, consumer affairs, and fraud prevention, Bruno Parent, who considered himself to have been spurned.

“The most striking example was the *département* aspect of the DGCCRF, which, in fact, actually came out of a December meeting between the prefects and the prime minister [...]. The system didn't rely on working groups where everyone would have been involved in the discussion, put things on the table, etc. It was always a power game – that is to say, a commission that made the proposition, then the ministerial cabinet and the SG who stepped up saying ‘but you haven't realized...’, ‘you haven't thought about...’, then an about-face; then the first circular, and then the prefects coming back, stepping up and saying ‘but with our vets, we have only half of what we need’ – and round we go again!” (Interview, office of the Minister of the Budget)

This last example shows the extent to which the organizational forms adopted resulted from power games, and the striking of multiple bargains.

These examples of “bureaucratic politics” illustrate the tenor of the power struggles around two major decisions in the reorganization of the territorial state: on one side, the creation of DDIs, orchestrated by the ministry of the interior against the will of the sectoral ministries; and on the other, the creation of large regional directorates which provoked boundary conflicts between ministries, the entities that made them up (central directorates, the new regional directorates) and the actors whose careers would be pursued within them (unions, *corps*, etc.). At the end of 2008, following numerous transactions, all the boundaries of the new regional and departmental services of the state were stabilized, apart from the ARSs.

### **Conclusion: understanding the design of the new territorial state, weighing up the mechanisms in a process-tracing analysis**

Our study of the reform of the territorial administration of the state has indeed brought to light the presence of the four mechanisms identified in the first section. It has allowed us to give a more detailed outline of how they are connected, and to gauge their respective importance during the three sequences of the making of the new territorial state. Institutional entrepreneurs strongly influenced the reform; senior political officials, invariably regionalist prefects from the ministry of the interior, constructed and promoted an institutional reform narrative which yielded a renewed version of the territorial organization of the state combined with an unprecedented hierarchization of regional prefects and departmental prefects. These institutional entrepreneurs, belonging to a centralist and transversal ministry that was powerful from 2007 onwards, had sufficient resources and legitimacy to adapt the two historical logics that lie at the heart of the territorial state in France by manipulating organizational forms, jurisdictions, and hierarchizations.<sup>1</sup> The institutional change thus initially resulted from endogenous dynamics. The influence of political actors upon the choice of structures was strong but short-lived: the presidency of Nicolas Sarkozy offered reformers privileged access to the system of decision; the political executive perceived the political gains to be had from the merger policy, the possibility of greater control over the bureaucracy; interministerial conflicts became showdowns in which the political authority of ministers was forged and tested. The mechanism of isomorphism played a role in the legitimation of the merger format that was imposed as a universal instrument of reform in the name of the rationalization of a territorial state judged to be too fragmented. Finally, numerous power struggles took place around the delimitation of inter-organizational

1. On these centralist administrations, see Bezes, *Réinventer l'État*, 51-2.

boundaries. It is at this level that a multitude of micro-compromises concerning the new overlapping organizations was negotiated.

The study of this process through a process-tracing perspective gives us a precise analysis of the dynamics of institutional change of the territorial state in France - of the scale of this transformation, but also its limits and its territorial anchoring. The final organizational form of the territorial administration was the product of different mechanisms that operated successively, and which a rigorous process-tracing analysis has allowed us to retrace schematically across multiple phases over the period 2002-2008.

During the first phase (2002-2007) an administrative elite belonging to the *corps préfectoral* developed an ambitious reform project but was unable to translate it into any legislative form. Two mechanisms allow us to understand why the 2004 reform remained very limited. Institutional logics weighed heavily upon it: the departmental culture that prevailed within the ministry of the interior and the *corps préfectoral* constituted a major obstacle to the implementation of the reform project. In the absence of any strong political support, the prefectural elite tried to negotiate compromises with other ministries, but came up against inherent limits in these bureaucratic negotiations with other *corps* and ministries.

In a second phase, different mechanisms were responsible for a far more ambitious version of the REATE being placed on the agenda in 2007. The merger was diffused as an organizational standard across large swathes of the French administration, rendering more legitimate a reform that, up until that point, was inscribed within a vast agenda for reform, but which now benefitted from a new framework of decision: the RGPP. But this mechanism of legitimation only operated on the margins, disconnected from the reform narrative of the prefectural entrepreneurs and lacking the weight of the political mechanisms at work in 2007. The elite of the *corps préfectoral* succeeded in operating an internal revolution within the ministry of the interior and in convincing the *corps préfectoral* of the necessity of abandoning an identity and anchoring tied to *the département* in favor of a regional approach. In 2007 it found a window of opportunity because of the presence of its representatives within the political executive. The regionalist reform narrative brought with it important changes: a systematic strengthening of the regional anchoring of ministries with large, merged directorates; a clear reduction and strong fragmentation of the territorial state; a transformation at the departmental level of a state that would be “prefectoralized” as it became “interministerial”; and a strengthening of regional prefects’ powers with the introduction of a “hierarchical” authority over the departmental prefects.<sup>1</sup> Considering the overall picture, the territorial state *à la française* appears more centralized (the central ministerial administrations have more powerful regional representatives, on a shorter leash; the regional prefect is a head with greater powers), and more intersectoral (the large regional directorates, and interministerial departmental directorates) but has also shifted toward the regional level.

However, the institutional entrepreneurs had not convinced the senior officials of other ministries, or those of the competing *corps*, of the possible benefits to be enjoyed through the REATE. Directorship of the reform was handed to a person who was very used (probably too much so) to the culture of obedience and so did not take the trouble to negotiate with other *corps* and ministries. The strategy of change nurtured by the institutional entrepreneurs of the *corps préfectoral* was founded principally upon importing external political support

1. For arguments on this point, see Bezes and Le Lidec, “L’hybridation du modèle territorial français”, 937-9.

into the administrative field (linked to the appointment of a prefect to the post of secretary general of the *Élysée*) and rested on the belief - which was to prove unfounded - in their capacity to *impose* a new organizational form and to limit the mobilization of competing *corps* by way of a few appointments.

This strategy of forced change provoked a confrontation of political figures, which was to constitute the dominant factor in the reconfiguration of the territorial state at the pivotal moment of the first three months of 2008. In this third and final phase, institutional change appeared to be closely dictated by the play of bureaucratic negotiations and by respect for the institutional balance between historical components of the administration, the other mechanisms now being absent from the process of reform. The importance of political conflicts and of the numerous transactions that are a part of bureaucratic politics permit us to understand why, although initially fashioned by a strong institutional project, and although productive of a significant opportunity, the REATE remained marked by a certain institutional ambiguity. The multiple compromises that were negotiated somewhat weakened the prefects' original reform project, which ended up a hybrid of different logics, leading to the institution becoming ambiguous.<sup>1</sup> The tension between establishing territorial leadership in the figure of the regional prefect (in collaboration with his departmental prefect colleagues) and the affirmation of powerful regional directorates (acting as the enforcers of the ministries) is an example of the coexistence of contradictions. Maintaining a ministerial presence at the departmental level via the UTs is another. Such ambiguity leaves open the possibility of contrasting interpretations, continuing struggles, and critiques that will lead to new reforms.<sup>2</sup>

Looking back at this study, the case of the REATE seems emblematic of what the reorganizations of administrative structures reveal to us. The reform of the territorial administration of the state is indeed a politics of reorganization, perpetually replayed in different ways depending on the involvement of the executive power and the political maneuvers that unfold; but it is also indicative of the success, on a grand scale, of an organizational standard. This reorganization is equally exemplary in terms of the central importance of the activities of jurisdictional delimitation that fuel a bureaucratic politics.<sup>3</sup>

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— Philippe Bezes and Patrick Le Lidec —

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1. Sheingate, "Rethinking rules".

2. For an example of the interpretations and conflicts arising around new roles, see François-Mathieu Poupeau, "L'émergence d'un État régional pilote: La recomposition des jeux administratifs autour du ministère de l'Écologie et du Développement durable dans une région française", *Gouvernement et action publique*, 2(2), 2013, 249-77.

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## Appendix on methodology

The study is based principally on 39 semi-structured interviews, of an average duration of two and a half hours, with senior state officials in central government.

Fieldwork was conducted between December 2009 and June 2012 with officials in post in the president's office, the prime minister's office, the secretariat-general of the government, and MIRATE, and in various positions within various ministries: The ministry of the interior (office, secretariat-general, Directorate of the Modernization of Territorial Administration, the Inspectorate-General of Home Affairs, the Association of the *corps préfectoral*), the Ministry of Immigration and National Identity's Directorate for Integration, the Ministry of the Environment, Energy, and Sustainable Development (office, secretariat-general), Ministry of Health (office), Ministry of Budget and Public Accounts (office, Directorate-General for the Modernization of the State, Budget Directorate, General Inspectorate of Finance), Ministry for Health, Agriculture, and Fisheries (office).

Each interview involved eliciting information from the interviewee on the way in which this reform had, in their opinion, been initiated, the stakes and the objectives pursued, the role they had played in it, etc. The study was based on several phases of interviews cross-referenced so as to compare the stories proposed by our different interlocutors. Certain key actors were seen two or three times, so as to arrive at a final description of the process, and to compare them to the narratives and interpretations given by others interviewed in the meantime.

This study was supplemented in various ways. Conducting repeated interviews allowed us to develop trusting relationships with certain actors and to obtain confidential documents of various types (reports of joint inspection commissions, summaries of the weekly reports of prefects on the REATE, etc.). The collection of documents thus amassed was supplemented by a multitude of public or easily accessible documents (reviews by the general assembly of certain state *grands corps*, etc.) This study was enriched by three Masters' theses and the work of two groups of ENA students belonging to the "Émile-Zola" cohort (2008-2010), who were investigating the REATE at the same time.

### Glossary

ANPE: *Agence nationale pour l'emploi* - National Employment Agency

ARS: *agences régionales de santé* - Regional Health Agencies

BOP: *budget opérationnel de programme* - Program Operational Budget

CCRF: *Concurrence, consommation et répression des fraudes* - Fair Trading, Consumer Affairs, and Fraud Prevention

CMPP: *Conseil de modernisation des politiques publiques* - Public Policy Modernization Council

DDAF: *direction départementale de l'agriculture et de la forêt* - Departmental Directorate for Agriculture and Forestry

DDE: *direction départementale de l'équipement* - Departmental Directorate for Public Works

DDI: *direction départementale interministérielle* - Interministerial Departmental Directorate

DDT: *direction départementale des territoires* - Territorial Departmental Directorate

- DGCCRF: *Direction générale de la concurrence, de la consommation et de la répression des fraudes* - Directorate-General for Fair Trading, Consumer Affairs, and Fraud Prevention
- DGCP: *Direction générale de la comptabilité publique* - Directorate-General of Public Accounts
- DGFIP: *Direction générale des finances publiques* - Directorate-General of Public Finance
- DGI: *Direction générale des impôts* - Directorate-General of Taxes
- DIRECCTE: *direction régionale des entreprises, de la concurrence, de la consommation, du travail et de l'emploi* - Regional Directorate for Enterprises, Fair Trading, Consumer Affairs, Labor, and Employment
- DIREN: *direction régionale de l'environnement* - Regional Directorate for the Environment
- DMAT: *Direction de la modernisation et de l'action territoriale* - Directorate for Modernization and Territorial Action
- DRE: *direction régionale de l'équipement* - Regional Directorate for Public Works
- DREAL: *direction régionale de l'environnement, de l'aménagement et du logement* - Regional Directorate for the Environment, Planning, and Housing
- DRFIP: *direction régionale des finances publiques* - Regional Directorate for Public Finances
- DRIRE: *directions régionales de l'industrie et de l'environnement* - Regional Directorates for Industry and the Environment
- DRTEFP: *directions régionales du travail, de l'emploi et de la formation professionnelle* - Regional Directorates for Labor, Employment, and Training
- IGA: *Inspection générale de l'administration* - Inspectorate-General of Home Affairs
- IGAS: *Inspection générale des affaires sociales* - Inspectorate-General of Social Affairs
- IGF: *Inspection générale des finances* - Inspectorate-General of Finance
- LOLF: *Loi organique relative aux lois de finances* - Organic Law on Finance Laws
- MEEDDAT: *ministère de l'Énergie, de l'Environnement, du Développement durable et de l'Aménagement du territoire* - Ministry of Energy, the Environment, Sustainable Development and Spatial Planning
- MIRATE: *Mission interministérielle à la réforme de l'administration territoriale de l'État* - Interministerial Commission on the Reform of the Territorial Administration of the State
- OSE: *organisation des services de l'État* - Organization of State Services
- REATE: *Réforme de l'administration territoriale de l'État* - Reform of the Territorial Administration of the State
- RGPP: *Révision générale des politiques publiques* - General Review of Public Policies
- SGAR: *Secrétariat général aux affaires régionales* - Secretariat-General for Regional Affairs
- UNEDIC: *Union nationale interprofessionnelle pour l'emploi dans l'industrie et le Commerce* - National Professional Union for Employment in Industry and Trade
- UT: *Unité territoriale* - Territorial Unit