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**On a clear day you can see all the
way to Brussels: The transformation of
aquaculture regulation in Norway**

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ABSTRACT

In this paper we study the evolution of the regulation of the Norwegian aquaculture industry, in particular how European integration has affected the development of the regulatory regime. We analyse whether the transformation constitutes a transition from a national-based and corporative management system to a technocratic regulation regime that emphasises control and monitoring. The two perspectives of this study are, first, how global administrative reform (so-called New Public Management) has affected aquaculture management in Norway and secondly, how Norway's position outside the European Community has affected the political authorities' ability to maintain nation-based regulation of this industry. The paper concludes that there has been a technocratic and de-politicised change in the management of the aquaculture industry, geared towards cost efficiency and profitability, where transparency and harmonisation with EU legislation are important, while rural claims have less say.

KEYWORDS

New Public Management, aquaculture regulation, Norway, EFTA, EU, institutional evolution

Introduction and research question¹

Significant changes in the regulation of the Norwegian aquaculture industry have occurred over the past 10 to 15 years. The liquidation of ownership regulation and first-hand trade in 1991 and establishment of the feed quota regime in 1996 are two examples. Here we analyse the evolution of the regulation of the Norwegian aquaculture industry, and in particular how European integration has affected the development of the regulation regime. Does the transformation constitute a transition from a national corporative management system to a technocratic regulation regime that emphasises control and surveillance?

The research question can be studied from two perspectives. First, a global political administrative reform is in progress. Most nations have to various degrees absorbed ideas from the so-called New Public Management (NPM) school, and the Norwegian authorities are no exception. How does NPM affect aquaculture management in Norway? Secondly, Norway is still outside the political institutions of the European Union, but enjoys a close relationship regulated by the European Economic Area (EEA) agreement. In the relationship to EU, Norway is occasionally powerful as a significant seafood exporter, in other respect weak as a small nation with relatively few political resources. How do EU and the EEA influence aquaculture management in Norway?

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Approach and theory

The modest start of the aquaculture industry took place 30 years ago in an era strongly influenced by Keynesian mixed-economy thinking, expanded in Norway with the speciality mixed administration (Hernes 1978). This corporative management system implied a segmentation of the society where power was distributed along other lines than the formal and constitutional. The unity of these segments was based on common cultural, political, social and/or economic values and beliefs on how to manage society's resources. Collective solutions were important, and new policies were developed in cooperation with organised interests (Egeberg, Olsen, & Sætren 1978). Egeberg et al. (1978) also analysed tendencies that can be interpreted in retrospect as a forewarning: structure rationalisation within organisations, grass-root actions outside established organisations, and the fact that the consulting state stopped consulting. Liberal thinking won a stronger foothold in the 1980s and 1990s.

Our theoretical approach is borrowed from the new institutionalism of organisational theory (See e.g. Powell and DiMaggio (1991) and Scott (1995)). These lines of thought are sceptical about the traditional rational-actor model in the analysis of the practice of individuals within organisations, and to the perception of institutions as constructions designed to solve specific economic or political problems.

This perspective is evolutionary. We carry institutions with us in the way we perceive the world around us and the choices we do in order to solve tasks. This perspective emphasises the routine nature of human behaviour. We may have a conscious perception of institutions and how they affect us, but we cannot separate ourselves from them. Our education, training and background determine how we solve tasks. New institutions will always contain old routines and notions of proper conduct. At an organisational level,

collectives cannot be perceived as homogeneous entities, but as comprising participants with complex values and intentions that envelopes conflict, power struggle and disagreement.

Policy formation is characterised by "rule following" and the transition to a new regime will always inherit its structure, rules and procedures from previous regimes. The explanation of change is thus a weakness of this school of thought (Holm 1995). However, in our analysis we delimit the initiation of change to external influence. The relationship to the external environment allows conflict-driven change processes to take place, while inherited structures inhibit the transformation process. So how can the transformation of the political regulation system be understood?

The traditional political regulation is the classical Weberian bureaucracy rooted in the sovereignty and autonomy of the nation-state. This system is currently under pressure from European integration. The globalisation of the economy has emphasised the efficiency of public governance. In line with the rise of NPM ideas, there are tendencies to decentralise both functional and regional authority, and to establish various types of networks between the private and public sectors. NPM is a broad concept that harbours a variety of reforms, but that has a particular type of impact on public administration, characterised by liquidation of political governance, strengthening of the bureaucracy, the privatisation of a series of public tasks, and a stronger focus on control and surveillance. More or less autonomous organisations implement policies, while the politicians are left with the responsibility (NOU 2003:19). This decoupling (e.g. Meyer and Rowan (1977) strengthens the flexibility of the state by making its entities more able to adapt to various tasks.

A large literature on the transformation of the political governance has emerged during the past 30 years or so (see e.g. March and Olsen (1976;1983;1989) and Olsen (1972;1978;1988)). Internationally, NPM reforms are presented as political innovations and Christensen and Lægreid and their colleagues in particular have studied the impact of these reforms on Norwegian politics and administration (see e.g. Aberbach and Christensen (2003), Christensen (2003a;2003b), and Christensen and Lægreid (2003a;2003b;2004)). In Norway, the management components of NPM have been more widely implemented to than the market components (Christensen & Lægreid 1998) as the latter take a more general and less threatening form than the former (Christensen 2003a). However, even the management components have the capacity to undermine political control (Christensen & Lægreid 2004). Christensen et al. (2002) have documented how the scope and impact of performance auditing has increased since the mid 1990s, while Helgesen (2001) analyses the implementation of a model of performance management in the new regulation of the state finances (Government Financial Regulation) in 1996. Management by Objectives and Results (MBOR) was the first NPM reform to be implemented in Norway when it became mandatory for the budgetary process of national economic policy in 1991 (Christensen & Lægreid 2003b).

A characteristic of NPM is that a growing number of society's tasks are governed by laws and regulations. Norway's formal relationship to the EU is regulated through the EEA agreement between EU members and the members of the EFTA (European Free Trade Association). Under the EEA agreement Norway has implemented the regulations for free movement of goods, capital, labour and services. The EFTA countries do not participate in EU decision-making processes, but they have experts on various preparatory committees under the Commission, making in principle the EEA agreement a one-sided adaptation by EFTA participants to EU legislation. The EU Court is central to

the general integration process between the EU countries (Fligstein & Sweet 2002; Sweet & Brunell 1998), in that it can set aside the decisions made by national courts (NOU 2003:19). However, in the relationship between EU and Norway, the EU directives do not directly override Norwegian jurisdiction, since the EEA agreement is a treaty based on international law. The Norwegian government is still committed to adapting Norwegian laws and regulations to EU jurisdiction. Norway has veto rights, but the political costs are regarded as considerable (NOU 2003:19). In the long run, the Europeanization process will bypass the national political level and thus provide a more distinguished role for the Norwegian administration.

We initiate the empirical part of this analysis we by outlining the various phases of the political regulation of Norwegian aquaculture. We then discuss changes in the regulatory regime and to what extent we can claim to be moving towards a new regulatory regime.

Phases in the political regulation of Norwegian aquaculture

Aquaculture has become an important industry in coastal Norway. Its main products are salmon and trout. In 2002 production was 450 000 tonnes of salmon and 83 000 tonnes of trout, with a first-hand value of about NOK 9.5 billion (EUR 1.1 billion). The number of employees is about 3600. Some 850 permits have been issued to about 150 companies. Nearly all of the fish is exported; the value of exports was NOK 10.9 billion in 2002 (EUR 1.3 billion). The most important export markets are France, Denmark and Japan. In 2002, Norwegian production of salmon accounted for 42 % of the international production of Atlantic salmon.

1973-1991: The corporate era

The first Aquaculture Act (1973) introduced a mandatory permit system for aquaculture. At first, the regulation was a system for registration of new entries and most applicants were granted permits. In 1977, however, the authority introduced a ban on new permits in the expectation of a new act (NOU 1977:39). In the second Aquaculture Act (1981), the core political objectives were to maintain an industrial structure based on small enterprises, an ownership structure based on local ownership, and a widely distributed industry (St.meld.nr. 71 (1979-80)). This restrictive regulation laid responsibility on the government to supply services to fish farmers, such as education and research, an export sales and marketing infrastructure, veterinary services, etc. In the third Aquaculture Act (1985), the basic principles of the 1981 Act were maintained (NOU 1985:22;St.meld.nr. 71 (1979-80);St.meld.nr. 65 (1986-87)). The third Act differs from the previous two, however, in that the owner-farmer principle is abandoned.

The Ministry of Fisheries (MoF) was allocated responsibility for management of the Aquaculture Act. MoF developed similar management procedures to those of the fishing industry (e.g. the Fisheries Participation Act and the Raw Fish Act) (Aarset 1998). Despite this fishery-orientation of the Aquaculture Act, the aquaculture industry never became "a fishery". Too many significant tasks were located with other departments, and in addition, aquaculture was too different in principle from the fishing industry (see e.g. Didriksen (1987), Jakobsen (1996;1999), and Aarset (1997)).

Towards the end of the 1980s the Norwegian aquaculture farming industry was facing huge and growing problems. Prices fell due to increased international competition. Disease problems aggravated these problems, but when effective solutions were developed and implemented, further negative side-effects occurred. Large compensatory

stocks survived due to the impact of effective vaccines, and production growth increased dramatically, with a further fall in prices as a result. Smolt was easily accessible in this period due to the 1986 liberalisation of the regulation of production.

1991-2001: Era of transition

The principles of aquaculture regulation were attacked from two sides. In traditional fisheries, the resources are unpredictable and a regulated first-hand trade can be defended on the basis of its stabilising effect. Aquaculture, on the other hand, is a food industry without the same needed for protection against natural fluctuations. The sales organisation (FOS) was mandated to set first-hand prices and approve buyers of farmed fish. The sales organisation experienced market turbulence and falling prices. FOS went bankrupt in 1991 after failing to regulate the supply of salmon. The political authorities decided not to support a new sales organisation, and regulation of the first-hand trade was abandoned in 1991. Secondly, the ownership regulations soon came under pressure. Failing profitability softened the ideological resistance to “distant” investors. In addition, the legal framework that obstructed sale of farms put large creditors in a difficult position as bankruptcies occurred. Regulation of ownership was liquidated in 1991, while the link between permit and location was maintained. The consequence of this deregulation has been a significant concentration of ownership. In 1990, the 10 largest firms accounted for 8% of the total production of salmon and trout, in 2001 the share of the 10 largest was 46%.

In the 1990s counter-forces appeared that tried to slow down the momentum of the liberalisation process. In 1996 the authorities introduced feed-quotas, i.e. a restriction on the amount of feed that may be used for one permit in a year. The feed quota was a consequence of the EU’s repeated accusations of dumping of Norwegian salmon. The

arrangement has restricted the growth of the Norwegian industry; while the annual Norwegian production of salmon almost tripled from 1992 to 1997, it only increased by 13% from 1999 to 2002. The authorities also introduced a regulation in 2001 that prevented any single company from controlling more than 20% of the total volume. This regulation went some way towards reversing the liberalisation started 10 years previously by the elimination of the ownership regulation.

The relationship between Norway and the EU is governed by the situation that Norway is a leading salmon producer with the EU as its largest single market, that a European processing industry depends on Norwegian salmon, and that Europe has a domestic aquaculture industry – in addition to the fact that Norway is not a member of the EU. The feed quota was a self-imposed restriction implemented in an attempt to limit production and thus ease the market situation. The salmon trade agreement, on the other hand, was imposed on Norwegian fish farmers as a consequence of the findings of an antidumping and antisubsidy inquiry by the EU Commission in 1996 (NOU 2003:19). Violations were found, but instead of setting a punitive duty, a settlement was negotiated. The most important section in this 1997 settlement concerned a rise in the export duty on Norwegian salmon from 0.75% to 3%. The Norwegian Seafood Export Council was set to managing these funds, and a minimum of NOK 50 million was put into for generic marketing of Atlantic salmon.

During this period the Norwegian government alternately stepped on the accelerator and the brake. The changes in the 1991 regulations had signalled that they wanted to eliminate direct public responsibility for production capacity. But when productivity growth and price falls once again motivated Norwegian fish farmers to violate European

notions of proper industry conduct, the Norwegian government (and not the industry) implemented an undertaking in order to sort things out.

2001 and onwards: New tendencies

Even if the transformation phase involved several contradictory tendencies, we now appear to be moving towards a new regulatory regime.

The authorities used to translate political objectives into aquaculture policy by issuing detailed permits. Now, however, the authorities have drawn back, and are promoting the development of a framework that opens the farm and the conduct of the farmer to control, surveillance and evaluation. The old regulations have been weakened by modifications to, and in some cases liquidation of government tools. This development can be exemplified by recent decisions. First, there were no rural priorities in the 2003 - 04 allocation of new salmon and trout permits². On the other hand, the administration was ordered to evaluate the profitability and "innovative potential" of the permit applications. Secondly, the relocation regulation³ regulates the relocation of production facilities. A farm may only be located at specific locations within the region where the permit is registered. The new component is that the owner is free to relocate the farm within the region, and only obliged to submit a notification to the authorities about the relocation. The authority is obliged to accept the relocation as long as the new location has been given technical approval. Thirdly, the feed-quota system⁴ will be dropped (from January 1st 2005), and the Norwegian minister of fisheries stated that *"It is the responsibility of*

² Permit Allocation Regulation FOR 2003-10-17 nr 1245: Forskrift om tildeling av konsesjoner for matfiskoppdrett av laks og ørret i sjøvann.

³ Relocation Regulation FOR 2004-02-09 nr 366: Forskrift om klarering av lokaliteter for oppdrett av matfisk og stamfisk av laks, ørret og regnbueørret i sjøvann.

⁴ Feed Quota Regulation FOR 1996-02-29 nr 223: Forskrift om produksjonsregulerende tiltak for oppdrett av laks og ørret.

*each (individual) player in the industry to ensure that the supply of salmon matches market demand" [our translation].*⁵ Finally, Maximal Accepted Biomass (MAB) has been adopted as a new principle for regulating the industry. The design of MAB is not yet finalised, but whatever form it takes, MAB will provide the basis for a less stringent regulation than other options that were evaluated.

The control aspect of the Norwegian aquaculture regulations has been fortified on the background of stronger emphasis on the efficiency aspect of the regulations, and the approval of international standards and obligations. Despite the liberalisation of production and the allocation of new permits, Norwegian aquaculture is still restricted by a number of regulations, some of them very detailed, which regulate farm operation. Other regulations focus on the technical capabilities of the farm. Up to this point, we have analysed the principal shifts in the management of Norwegian aquaculture. The following section discusses the regulations themselves.

Laws and regulations related to the aquaculture industry

Prospective fish farmers apply for a permit, which is formally permission to conduct an operation that is in general prohibited. The permit is mandated in the Aquaculture Act⁶, but other acts such as the Food Act⁷ and the Pollution Act⁸ regulate other aspects of the enterprise.⁹ Laws and regulations are the instruments that the authorities use to ensure

⁵ Speech by the Minister of Fisheries and Coastal Affairs, Svein Ludvigsen, January 16th 2004.

⁶ Aquaculture Act LOV 1985-06-14 nr. 68: Lov om oppdrett av fisk, skalldyr, m.v.

⁷ Food Act LOV 2003-12-19 nr. 124: Lov om matproduksjon og mattrygghet, m.v.

⁸ Pollution Act (LOV 1981-03-13 nr. 06: Lov om vern mot forurensninger og om avfall).

⁹ Other acts have some effect for the aquaculture enterprise.

Planning Act LOV 1985-06-14 nr. 77: Plan- og bygningslov, Salmon Act LOV 1992-05-15 nr. 47: Lov om laksefisk og inlandsfisk m.v., Harbour Act LOV 1984-06-08 nr. 51: Lov om havner og farvann, m.v., Water Resources Act LOV 2000-11-24 nr. 82: Lov om vassdrag og grunnvann, Act concerning the regulation of watercourses LOV 1940-03-15 nr. 03: Lov om vassdragene, Open-air Recreation Act LOV 1957-06-28 nr. 16: Lov om friluftslivet, Nature Conservation Act LOV 1970-06-19 nr. 63: Lov om naturvern, Animal Protection Act LOV 1974-12-20 nr. 73: Lov om dyrevern, Public Administration

that the farm and the way it is run are in compliance with the overall objectives of society. The regulatory authorities distinguish between the regulation of the conduct of the operation and the regulation of the technical capacity of the farm.

Regulation of the technical capacities

The Directorate of Fisheries (DirF), the Norwegian Food Safety Authority (NFSA), the Directorate of Coasts and the County Governor are the four departments that are directly involved in the management of the permit and location applications. The County Governor issues discharge permits, which is a *de facto* veto right related to aquaculture permits granted by the DirF. If the NFSA finds reasons to make complaints against decisions made by the DirF, these will be processed by separate negotiations. All four departments have responsibility for the control and implementation of sanctions related to the regulations, and these responsibilities require an increased flow of information from the farmer to the respective public authorities.

The source of these regulations varies. The farmers articulate demands that need to be implemented in regulations. In some cases, the initiatives comes from the public authorities that have "first-hand knowledge" of Norwegian aquaculture, while in some cases EU directives require current regulations to be modified. Two such examples are the EU Water Framework Directive and the EU's Food Law. The EEA agreement assigns the EU the right to evaluate the regulations that Norway implements. The government's ability to obstruct the implementation of EU directives has thus been reduced. For example, too strong an emphasis on the distributional aspect in the allocation of new

permits might motivate industry actors to take the Norwegian government to the EU court and charge them with discrimination.

Regulation of the conduct of the operation

A series of detailed regulations hammer out the specifications of the overall regulation of the aquaculture industry. In this section we examine a specific and systematic pattern of change among these regulations, focusing on a selection of relatively recent regulations that deal with important aspects of the daily life of fish farmers, and specify operations that the farmer or another (commercial) actor must conduct. The regulations are presented chronologically.

The Feed Quota Regulation (March 1st 1996) [see footnote 4] (FQR) describe in detail how much feed farms of various size are permitted to use. As already mentioned, this was an attempt on the part of the government to slow down the growth in production of Norwegian aquaculture in order to reduce the pressure on the market. These regulations, which will be removed by the end of 2004, legitimised in detail monthly data capture at location and pen level including information on fish volume, number of dead fish, feed consumption, number of escapees, etc. These data are reported to the MoF.

The Disease Regulation (January 1st 1999)¹⁰ (DR) emphasise the health status of the farm and legitimate several reporting routines, requiring an operating plan that details the next two years of operation. This plan must be submitted to the authorities at the end of each calendar year and has to be approved by the NFSA and the DirF. The minimum information required is stockings of fingerlings and the fallow locations within the plan period. An operating journal that reports certain information at permit, location and pen

¹⁰ Disease Regulation FOR 1998-12-18 nr 1409: Forskrift om etablering, drift og sykdomsforebyggende tiltak ved oppdrettsanlegg.

levels is also required. The regulations ask for a monthly report on lice. A specific emergency plan that describes how escapes can be limited is also required.

The main objective of the Technology Standard Regulation¹¹ (January 1st 2004) (TSR) is to limit escapes by ensuring a high technical standard and responsible farm operation and maintenance. “Proofs of fitness” will be issued until January 1st 2006 for existing farms by an accredited inspection body. These proofs will be valid during a transitional phase until 2012. The TSR has been introduced by the MoF, and the DirF is the supervisory authority. In addition to the technological requirements, the location has to be approved by a competent body. Accreditation is based on multilateral agreements for mutual international recognition. The system is administered by the European Cooperation for Accreditation. In Norway, accreditation is performed by Norsk Akkreditering, an independent organisation subject to the Ministry of Trade and Industry, established in 1991 as a result of the EEA agreement in order to strengthen the free flow of commodities and services (www.akkreditert.no). Accreditation is in principle voluntary, but an increasing number of public supervisory authorities require an accredited certification system in order to accept that the requirements of the authorities have been fulfilled.

The Internal Control Regulation¹² (January 1st 2005) (IC Aquaculture) instruct the fish farmer to establish a system that will ensure that the farm complies with all the regulations related to the farms operation. The farmer must establish a system that makes intervention possible when the requirements of the Aquaculture Act are not being fulfilled. The tasks of the IC system is to review internal objectives and routines to ensure

¹¹ Technology Standard Regulation FOR 2003-12-11 nr 1490: Forskrift om krav til teknisk standard for anlegg som nyttes i oppdrettsvirksomhet.

¹² Internal Control Regulation FOR 2004-03-19 nr 537: Forskrift om internkontroll for å oppfylle akvakulturlovgivningen.

their fulfilment, overview the organisation and management of the firm, the control of any problems and evaluation of the risk, systems for surveillance, and review of the IC itself to see whether it works. The task of the authorities is to revise the IC system. Reports are needed to make the IC as appropriate as possible. The DirF and the NFSA conduct supervision and enforce decisions described in the IC. The authorities' supervisory duties are described in the Public Administration Act.

What is common to these relatively recent regulations? First, they instruct the farmers to establish systems to produce documentation and reports about how they operate. Mandatory reporting has been part of the routine for years. However, the DR in particular demands a massive increase in the required data. The FQR opened for this data collection, although the regulations never specified the required data in detail. The TSR specifies the documentation that the salmon farmer has to present in order to continue farming. The IC Aquaculture focuses on the internal operation of the farm and specifies which system must be installed. The reporting routines provide the authorities with the opportunity to monitor the industry in detail, which again is important in order to ensure that the industry fulfils the requirements for participation in international trade.

Several of the new regulations have their origin in EU directives. In this process a "modification" of original directives occurs (Olsen 2003). The authority that controls expert knowledge plays a vital role in this process. In one case, a representative from an authority informed us that they had carried out "a quasi-harmonization" since the EU-directive was more liberal than the Norwegian regulation.

All new regulations have to be approved by the political authorities and they cannot be clearly at odds with political intentions. But in many cases politicians seem to play a minor role in the implementation of these (new) "technical" regulations.

Towards a new regulation regime?

The questions, then, are whether there has been a movement from a nation-based political regime to a technocratic regime influenced by global forces, and if so, what this transition implies. By highlighting differences we will outline and summarise some of the characteristics of these two alternative regimes (Table 1).

Table 1: Two different regulation regimes.

Characteristics	A corporative management and distribution regime	A control and monitoring (technocratic) regime
<i>Objectives for regulations</i>	Rural development, distributional goals	Value added, profitability, market responsiveness
<i>Management tools</i>	Political redistribution of resources	Neutral, technical, adaptation to international standards
<i>Empowered groups</i>	Politicians	Bureaucracy, public administration
<i>Level of governance</i>	National	Regional, national, international (multilevel system)
<i>Decision-making</i>	Centralised	Decentralised, institutional complexity
<i>Characteristics of the regulation system</i>	Corporative, segmented, consultative, unified, hierarchical, ideological	Fragmented, "value neutral", atomistic, individualistic
<i>Source of regulation impulses</i>	Politicians, industry actors	EU, Public administration
<i>Target for regulation</i>	Technical capacities	Conduct of operation

Norwegian salmon is traded in an international market dominated by the EU. In a reregulation process in which the authorities withdraw from the regulation of production capacity, this implies an increasing harmonisation with the international legal framework. National and international courts take over areas where political institutions would previously have negotiated over what was right and what was wrong.

International authorities (i.e. the EU) require transparency for the effectiveness of inspections. This presupposes documentation and activity reports from the farmers to national authorities. Furthermore, environmental issues are important in a European and global context. Such issues must be taken seriously, and the industry must document that they have dealt with them, while communication with a supra-national level such as the EU, with its need for long term planning, requires predictability. This again presupposes documentation of relevant information from farmers.

A technocratic regime is emerging that emphasises international obligations such as the adjustment to international standards, the development of a certification system based on a formal and codified knowledge system, and a stronger emphasis on technological issues. Institutions at regional, national and international level all play a part in the regulation regime and thus increase institutional complexity. In particular, institutions that control expert knowledge fill the regulations with the content, and communicate with international partners about discipline-specific issues, and thus play an instrumental role. In the design of new national regulations these institutions modify the international requirements, and cooperate with regional and national institutions that are appointed to detail the new regulations. Close trans-institutional cooperation between public institutions in the formulation of new regulations thus exists.

One consequence of the recent transformations is a weakening of direct national political influence on the size and location of farms. Significant aspects of the distributional regime were eliminated by the introduction of the new relocation regulations and the removal of the feed quota regulations. On the other hand, these changes implied a confirmation of the control regime based on the collection of information, control, monitoring and random inspections. This transformation could lead to a simplification for the farmer, since software and routines for collection of data will mature in the course of time. But it is definitively no simplification in the sense of a slimmer bureaucracy. Rather, the bureaucracy will continue to add tasks and to expand.

The new institutionalism of organisational theory emphasises how regimes that are supposed to be "new" always inherit their structure, rules and procedures from the former regime (DiMaggio & Powell 1983; Powell & DiMaggio 1991; Scott 1995). In this new control and monitoring regime, both the cast and the power structures have changed, and the expert institutions will achieve a more prominent role. The authors of the new regulations act to some extent experts, albeit in new capacities. New actors and suppliers of premises have entered the scene. Usually, political processes involve several actors and organisations at different levels, with inconsistencies and ambiguities about preferences and intentions. Thus, the new technocratic regime is not a homogeneous entity with uniform objectives and goals.

In the 1980s, regional and international institutions were involved in policy design. As a producer of expert knowledge, the DirF played an important role in the design of the distributional regime at that time. The story of a powerful bureaucracy controlling the politicians is therefore nothing new (Olsen 2003). One line of thought in institutional organisation theory has claimed that political reforms are often more a matter of "myth

and ceremony" than of real change (Meyer & Rowan 1977). A reformer may stir up fuss and demand significant political change, and even obtain support for his demands. However, the executive branch is always there, and a multitude of mechanisms such as career opportunities, competence, power relations, etc., absorb the intention of the reform and leave things pretty much as they were. A few symbols may be produced in order to satisfy the reformer, or at least some of his friends.

However, for three reasons, this is not an accurate analysis of the current set of transformations. First, the origin of the change is external, since the EEA agreement has subordinated Norwegian policy-making to EU control. Secondly, the type of change is technical, related to standards and procedures; the change is not related to the (political) game itself, but "the rules of the game". Thirdly, national politicians have adopted a more international perspective in their evaluations of regulatory principles. Norway's international position and competitive situation are more important than the regional distribution of national growth. The relationship to the EU is characterised by a situation where Norwegian fish farmers understand that interests opposed to Norwegian aquaculture possess a powerful instrument in the fact that they have direct access to the political resources of EU. To the extent that these opponents receive support in the EU, reactions can be transformed into market sanctions for Norwegian products. Norwegian policy will therefore be to suppress conflicts rather than to pursue a constructive, proactive political agenda. For the fish farmer, the EU system has a certain degree of predictability, while they may well perceive national policy as unsteady and too preoccupied with dealing with trade emergencies.

Neo-institutional theory can be criticised for putting too much emphasis on internal change processes within institutions and regulation regimes. In our case the impulse for

political change comes from an external level. The EEA agreement has opened up Norwegian politics to EU control through the imposition of technical standards and legal procedures. The EEA agreement requires Norway to adapt national rules and regulations to directives decided by the EU, an order that has been expedited by a generally low and non-controversial profile in the implementation of NPM reforms. This implementation is a result of the harmonisation with EU directives and leads to irreversible processes whereby technological standards, private control and revision companies take over the evaluation and control of management systems. The reforms are self-amplifying as the new regulatory principles spread to a growing number of areas, in both breadth and depth; at first they were implemented in order to solve cost issues, but now this is done because this is the appropriate way to implement public services. The freedom of manoeuvre of our national politicians is thus limited by European integration, and their focus seems to have changed from a national to an international perspective.

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