

## Abstract

Lipsky's seminal concept of street-level bureaucrats (SLBs) focuses on their role as public servants. However, in the course of new modes of governance, private actors have gained an additional role as implementation agents. We explore the logic of private SLBs during the implementation of the Swiss Ordinance on Veterinary Medicinal Products (OVMP) where veterinarians are simultaneously implementing agents, policy addressees, and professionals with economic interests. We argue that, because of contradictory reference systems, it is problematic for the output performance if an actor is simultaneously the target group of a policy and its implementing agent.

## Key words

Street-level bureaucrats, new modes of governance, implementation

# STREET-LEVEL BUREAUCRATS AND NEW MODES OF GOVERNANCE

## How conflicting roles affect the implementation of the Swiss Ordinance on Veterinary Medicinal Products

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## STREET-LEVEL BUREAUCRATS WITHIN NEW MODES OF GOVERNANCE

The subtitle of Michael Lipsky's (1980) seminal book on street-level bureaucrats (SLBs) refers to the 'dilemmas of the individual in public services'. Clearly, this was an apt description of the intersection between policy delivery and policy target group in the 1970s. Meanwhile, the division of labour between state and society has fundamentally changed and become much more hybrid (Bevir 2012). Many public policies are implemented in cooperation with private actors or are even fully outsourced to private actors (Knill and Tosun 2012), but the consequences of such new modes of governance for street-level bureaucracy have received little scholarly attention.

In this article, we explore whether and in what ways it matters for the implementation of public policies if the implementing agents are public bureaucrats or private actors who themselves are addressees of a given policy. More specifically, we discuss three aspects of SLBs in new modes of governance: first, it has become unclear who the SLBs actually are. We argue that private actors can act as SLBs in hybrid modes of governance. Second, we analyse the consequences for output delivery with regard to differences in the SLBs' performance, conceived as their compliance with the output targets set out by the policy (Hupe and Hill 2007: 294). Third, the reasons for such differences are discussed. Since public and private agents have different goal orientations (Peters 2011), we expect this to be reflected in their decisions at the street level.

The complexity which prevails between actors in hybrid implementation structures implies that it takes a specific analytical focus on the interactions and power relationships of SLB with their reference groups (Lipsky 1980: 54 ff). Implementing agents take on roles created by the interplay with their environment, and these roles generate requirements for behaviour which can lead to role conflicts and dilemmas (Lipsky 1980) affecting the agents' willingness to implement a given policy (Tummers et al. 2012). In our quest to understand the implications of new modes of governance for output delivery, we seek to apply and eventually extend, rather than replace, the basic ideas of street-level bureaucracy.

We will do this with the example of the veterinary drug regulation in Switzerland. The national Swiss Ordinance on Veterinary Medicinal Products (OVMP) regulates the supply with and the use of veterinary drugs for livestock. Within the OVMP's control system for the correct administration of veterinary drugs, the role of the SLB is shared between the public servants, i.e. the regional (cantonal) veterinary services, and the private veterinarians, i.e. the first target group of the policy. The private veterinarians have a control function vis-à-vis the farmers in their usage of veterinary drugs. This creates a double role because the private veterinarians have to control their own customers.

We discuss the theoretical basics of such double roles of private SLBs in the next section before we present the implementation arrangement of the OVMP and derive two hypotheses regarding output delivery and its causes. We then present empirical

findings from a survey that was done in the course of the evaluation of the OVMP (Sager et al. 2012). Finally, we discuss how hybrid forms of implementation affect the output performance of SLBs and what theoretical implications we can derive thereof.

## PUBLIC AND PRIVATE SLBS

Public governance is defined as ‘regimes of laws, rules, judicial decisions, and administrative practices that constrain, prescribe, and enable the provision of publicly supported goods and services through formal and informal relationships with third parties in the public and private sector’ (Robicheau and Lynn 2009: 22). The last 40 years

have seen the roll-out of the public sector reforms that are commonly associated with a shift from government to governance. There has been a shift from bureaucratic hierarchy to markets and networks. [...] The identity and role of public servants has changed to emphasize these tasks. (Bevir 2012: 1)

The collaboration between the public and private sector under new modes of governance also implies that private actors increasingly take over tasks related to the implementation of policies (Knill and Tosun 2012: 151, 200ff). However, the state remains responsible and has typically focused on increasingly regulating private actors to safeguard the public interest (Peters and Pierre 2000; Sager 2009; Sager and Rielle 2013). Private actors might implement rules in a rather light-handed way if the threat of public enforcement is low (Baldwin et al. 2011: 35, 58). Effective monitoring crucially creates incentives for target groups to comply with policies (Winter 2003: 220). From a regulatory perspective, it is therefore relevant to ask how private actors behave when implementing public policies.

Our first argument has been overlooked by Lipsky (1980): private actors who are involved in the implementation of public policies *also act as SLBs*. In the bottom-up implementation arrangements of new modes of governance, the empowerment of private actors to become more active in monitoring and delivering public tasks (Winter 2003: 213f) essentially transforms private actors into SLBs (Smith 2003: 358). The term ‘bureaucrat’ in this context refers not to employment in the public administration, but to an actor’s function as implementing agent, i.e. his involvement in the (traditionally public) task of output delivery at the frontline.

Public policy implementation can be seen as a principal–agent relationship, i.e. a linear exercise of tasks through mandated actors (Moe 1984; Sager and Rüeßli 2005; Winter 2000). When a central public actor delegates public tasks to private actors, the accordant patterns of relationships and delegation processes of principal–agent relations apply. In exchange for fulfilling their tasks, private actors receive discretionary power in enforcing public policies. Similar to principal–agent approaches, the SLB approach

stresses the discretionary decisions of street-level workers when delivering a policy to individual citizens (Lipsky 1980: 13). This discretionary role makes SLBs essential actors in implementing public policies. Given this assertion, we ask the question of whether new modes of governance have implications with regard to the results and processes of output delivery.

Stoker (1998) argues that, while new forms of governance are ultimately concerned with creating the conditions for ordered rule and collective action, its outputs are supposedly no different from those of government. Accordingly, Richards and Smith (2002: 279, emphasis in the original) state that it ‘is not what the state does that is different, but *how* he does it’. Thus, it makes a difference whether SLBs are public or private actors and under what rule they act to explain how they act, but not for the output they ultimately produce.

As to the processes of output delivery, Smith et al. (2011: 3) state that the ‘problems of implementation have been magnified by a shift from hierarchy to networks and market forms of delivery’. These problems can best be understood with Lipsky’s (1980: xii) argument ‘that the decisions of street-level bureaucrats, the routines they establish, and the devices they invent to cope with uncertainties and work pressures, effectively become the public policies they carry out’. The core determinant for output delivery is thus the situation in which the implementing agent is acting.

Hill (2009: 145) contrasts two viewpoints on SLBs: SLBs as ‘bad guys’ who ‘break rules, ... disobey their superiors [, and] use whatever discretion they have to advance their own interest’, and SLBs as ‘good guys’ who ‘adapt rules to real needs, [...] who are sensitive to the needs of the public they serve [, and] who use whatever discretion they have to advance service ideals’. In a complex form of interdependence of various actors, the point of reference needed for such a normative judgement of SLBs is lost.

The individual dilemmas of SLBs stem from their need to decide how to deal with their discretion (Lipsky 1980). ‘The essence of street-level bureaucracies is that they require people to make decisions [...]. Street-level bureaucrats have discretion because the nature of service provision calls for human judgment’ (Lipsky 1980: 161). There are two ways how to legitimize the use of this discretion beyond rules: professional values and the target audience of the policy. SLBs ‘see themselves as professionals. Lipsky (1980: 147) describes SLBs as governed by “occupational or professional” ideologies’. (Hupe and Hill 2007: 282). The first reference group for this role understanding thus lies in the wider circle of professionals. The second reference group is the clientele. Maynard-Moody and Musheno (2003: 20) write that SLBs ‘in their narratives ... define their work and to a large extent themselves in terms of relationships more than rules’.

From this finding, Hupe and Hill (2007: 283) conclude that ‘despite differences in their formal positions [...] street-level bureaucrats are public officials. As public actors acting in the public domain, they are held publicly accountable for the results of their

work'. However, this definition of SLBs as public officials in their interaction with individual citizens does not fully apply if policy tasks are delegated to private actors. The role of the implementing agent is even more questionable if the target group of the policy is at the same time the customer of this private SLB. In the next section, we will present such a problematic double role of SLBs: the implementation structure of the OVMP.

## **THE IMPLEMENTATION STRUCTURE IMPOSED BY THE SWISS OVMP**

At the turn of the millennium, several animal diseases have shed light on issues of food safety. As a consequence, the use of veterinary drugs has gained increased regulatory importance. Since 2004, the OVMP regulates the dispensing and use of veterinary drugs for livestock. It aims at ensuring the professional use of veterinary drugs, preventing residues of drugs in food of animal origin, and the protection of animals. As to its policy addressees, veterinarians are responsible for prescribing and supplying (dispensing) veterinary drugs, whereas the livestock owners often apply (administer) the drugs to the animals themselves. The OVMP regulates the type, the amount, and the storage of drugs that may be given to which animals, under what circumstances, and by whom.

Within the decentralized structure of federal Switzerland, the implementation of the OVMP takes place at the cantonal level. The official controls of compliance with the OVMP are done by means of on-site inspections by inspectors of the 26 cantonal veterinary offices (cantonal public veterinarians) both in veterinarians' practices and on farms. These controls would have to take place every 5 years in veterinary practices, and (until 2012) only every 10 years on farms.

The monitoring of the compliance of farmers with the OVMP is partially consigned to the private veterinarians. The OVMP allows for written agreements between veterinarians and livestock owners which combine liberal dispensing rules with veterinarians' biannual visits on the farms. During these visits, the veterinarians also check the farmers' documentations of the use of veterinary drugs, and the storage of the products. Many veterinary drugs are given to the animals via the feed. The fabrication of such medicated feedingstuffs by farmers on the agricultural site must be supervised by a specially trained veterinarian (FTVP). The farmer concludes a written agreement with an FTVP, who then gives detailed instructions and supervises on site the processes of blending, feeding, and cleaning the technical facilities. The FTVP is legally responsible for ensuring farmers' compliance with the OVMP's regulations. The private veterinarians have a practical relevance in ensuring compliance with the OVMP: they much more regularly control farmers than official inspectors do (whereas the latter control the veterinarians on a more regular basis than they control the farmers). This decentralized, twofold, and semi-private implementation structure of the OVMP (summarized in Table 1) is a system of regulated self-governance characterized by

**Table 1: Implementation structure of the OVMP**

<i>Policy addressees inspected</i>	<i>Controlling actor (SLB)</i>	<i>Frequency of inspections</i>
Private veterinarians	Public veterinarians	Every 5 years
	Public SLB	Every 10 years
Farmers	Private veterinarians	2x a year
	Private SLB	As FTVP: every fabrication of MFS

*Notes:* Control arrangement of the OVMP. FTVP: Fachtechnisch verantwortliche person (suitably qualified Person). MFS: Medicated feedingstuffs. SLB: Street-level bureaucrat.

hierarchical intervention through legally binding rules, accompanied by cooperative relationships between public and private actors during the implementation of public policies (Knill and Lenschow 2003). Clearly, formalized and institutionalized procedures delegate competencies of policy implementation to private actors (Knill and Tosun 2012: 210f).<sup>1</sup> We can therefore distinguish public SLBs, i.e. the public veterinarians, and private SLBs, i.e. the private veterinarians. Both are SLBs with discretionary power and part of the implementation arrangement of the same overarching policy. These different types of SLBs can be compared regarding their contribution to the output targets of the OVMP.

The question of the political control of SLB is particularly salient in federal systems. Structures that align the interests of implementing agents with policy making principals aim at enhancing implementation by intermediaries (May 2003: 224, 229f; Meyers and Vorsanger 2003: 245f). Even though the number of inspections is an action readily subject to control (Winter 2000) regulatory oversight can be considered as low and sanctions as absent, with regard to both the public and the private veterinarians' duties as implementing agents. The official controls of the private veterinarians focus on their role as policy addressees dispensing veterinary drugs, rather than on their role as implementing agents, i.e. the way in which they monitor the farmers. The OVMP attributes legal means of action to the public veterinarians, ranging from monetary fines, additional inspections, and enactments to penal sanctions (Sager et al. 2012: 35), but the use of penalties against the private SLBs is uncommon. As to federal oversight, the Federal Veterinary Office (FVO) collects the cantonal data concerning the inspections on farms (frequency and results) in the *Informationssystem für den öffentlichen Veterinärdienst* (ISVET), but there is no national database for the official controls of the private veterinarians, and no further national enforcement of the control duties of the public veterinarians.

The expansion of the government's partnership with private suppliers has changed the role of government as being no longer the producer of goods and services (Kettl 1993). Hence, the role of public vs. private ownership for the delivery of professionalized public services (e.g. Bøgh Andersen and Blegvad 2006) has received more scholarly attention than the delegation of control tasks. Since the latter does not entail a

change of ownership of assets – there are no assets to be owned – patterns of ownership cannot account for differences in output delivery of public and private agents. Rather, we now seek to show how the involvement of private actors into policy implementation increases the complexity of relations in the implementation arrangement, creates double roles and the potential for conflicting interests.

## THE OUTPUT PERFORMANCE OF PUBLIC AND PRIVATE SLBS

The basic argument of the SLB framework is that SLBs make a difference for output performance. It is a well-known assertion that public and private actors may diverge in their understandings of a ‘good’ output: whereas the public governance mode focuses on public service objectives, private agents rather have efficiency and results in mind (Considine and Lewis 2003). Nonetheless, our first hypothesis follows Stoker’s (1998) assumption that the main differences of governance modes of implementation lie in the processes of policy implementation rather than in the produced output, if conceived as meeting the objectives of the policy.

H1: There are no differences with regard to the level of output performance between public SLBs and private SLBs.

As for the roles of SLBs in the processes of output delivery, we can assume significant differences between private and public actors (cf. Hill 2009). Hybrid governance modes present ‘may involve actors with different goals and different values about the policy problems they are addressing’ (Peters 2011: 81). Private actors have an inherent interest in profits and customers (Considine and Lewis 2003) which may be difficult to reconcile with the public interest (Goodsell 2003; Lieberherr 2012). However, as implementing agents, private actors serve a public goal. The literature on legitimacy often asserts a balancing effect of mixed governance modes by combining the different public and private elements (Bevir 2012). By contrast, we expect that these divergent values will be reflected in the implementation process.

The goal orientations mentioned above may alter the power relationships, whose importance has long been emphasized by the sociology of organizations, between the SLBs and their reference groups. Especially in highly complex settings, ‘[...] the process of power and decision making [...] is an intersecting, zig-zagging process particularly conducive to shunning responsibilities’ (Crozier and Thoenig 1976: 553). The SLBs have to find a complex equilibrium between different kinds of loyalties, their commitment to professional values, and their reference group orientations (Gouldner 1957: 290).

Whereas public SLBs are caught between rules and professional values, private SLBs may be caught between professional values and their customers’ interests. Public SLBs are also ‘user-oriented’, but Lipsky (1980: 54–7) assumes that the public SLBs’ clients



are not his primary reference group as they are ‘nonvoluntary’. However, when a business relation with the clientele exists, the dependence of private SLBs upon their clients (who transform to customers) can be expected to be much higher than that of public SLBs upon their clientele. Contrary to what is theorized for public SLBs, the clientele could hold the private SLB accountable in such a scenario and therefore, participatory accountability could become predominant even in ‘performance’ modes of implementation (Hupe and Hill 2007). Thus, the private SLB could refer more to the clientele in his decisions than to the rules he is bound to. Additionally, the private SLBs may have difficulties to reconcile the goal orientations of their ‘private’ role as veterinarian in a market situation with those of their ‘public’ role as implementing agents. In summary, the delegation of implementation tasks to private actors may confront the latter with conflicts of roles (Tummers et al. 2012) and interests (economic dependencies being one possible cause). In their complex interplay rather than in isolation, these factors may affect the delivery of output. Accordingly, we formulate a second hypothesis concerning implementation deficits:

H2: Due to divergent goal orientations and role conflicts, implementation deficits of public SLBs have different reasons than those of private SLBs.

## RESEARCH DESIGN, DATA, AND METHODS

We rely on data gathered during the formative evaluation of the *OVMP* in early 2012. Semi-structured telephone interviews were conducted with cantonal public veterinarians ( $N = 22$ ),<sup>2</sup> representatives of the cantonal ( $N = 24$ ) and national ( $N = 11$ ) agricultural producers’ associations, producers of medicated feedingstuffs ( $N = 6$ ), experts in animal health ( $N = 8$ ), retailers ( $N = 4$ ) and inspectors ( $N = 5$ ) of food products, and national regulators ( $N = 3$ ). An online questionnaire was sent to all Swiss private veterinarians ( $N = 373$ , response rate 25 per cent). Information about the results of inspections by public veterinarians on farms in 2010 was available through ISVET.

First, we compare the SLBs’ delivery of inspections and sanctions, and control results, with the statutory provisions. The output performances of the two groups of actors are then compared. Second, we qualitatively assess the causes in terms of differences in the relationships of private and public veterinarians with their respective reference groups, and the incentives for implementation and tensions between diverging interests created thereby.

Our data do not lend themselves to regression analyses or inferential statistics. We lack information about the criteria upon which the farms included in the ISVET data were selected for inspections, but the former are likely to differ between the cantons. Because neither the controlled farms nor the cantons represent a random sample,

conclusions about the population cannot be drawn and we refrain from calculating *p*-values for the differences between the variables. Considering their methodological limitations, the data are analysed by means of descriptive statistics to illustrate and support our qualitative argumentation in an indicative way (Diekmann 2005: 357ff, 555ff). However, our theoretical conclusions are primarily based on qualitative information gained from the in-depth interviews and document analysis.

## **PUBLIC AND PRIVATE VETERINARIANS AS SLBS**

SLBs adapt policies due to the uncertainties and pressures they have to cope with, the routines developed and individual decisions taken during implementation (Lipsky 1980: 161). Thus, we should not only observe deviations from the OVMP's output goals, but also individual differences between the different, both public and private, implementing actors.

The output performance of the public veterinarians entails the implementation of controls in veterinarians' dispensaries and farms, and the imposing of sanctions. The public veterinarians should inspect 20 per cent of the veterinarians' dispensaries every year. Since there is no database for these inspections, no systematic picture of the compliance of the public veterinarians with these requirements of the OVMP exists apart from their own declarations about their control and sanction activities, which are unreliable, not available for all cantons, and limited in their comparability.

The available information indicates that the target of 20 per cent of is met by many, but not by all cantons (Table 2, second column), and that there are quite notable differences between the cantons concerning their output performance. Furthermore, the ISVET data reveals a clear implementation failure with regard to the inspections on farms (Table 2, third column). Whereas 10 per cent of all farms should be inspected every year, only 5.8 per cent of the Swiss livestock farms were actually controlled.<sup>3</sup> There is substantial variation in the output performance of the different cantonal public veterinarians.

According to the interviewees, the main reason for this implementation failure is the lack of money and personnel provided by the cantons. However, only a minority (seven out of twenty-two) of the public veterinarians complained about lacking resources. The available resources are not consistently related to output performance (Table 2;  $\text{Eta} = 0.248$ ). Even though cantons with sufficient resources do tend to perform better, there must be an additional explanation for the lacking output performance of public veterinarians in the field of inspections.

The results of official inspections, i.e. the evaluations by cantonal veterinarians of the farmers' compliance with the different checkpoints (source: ISVET), reveal striking discrepancies between cantons (Table 3). These deviances mirror different interpretations of the OVMP's rules by the public veterinarians. To put it in Lipsky's (1980: 51) words: 'Agency-generated statistics are likely to tell us little about the phenomena they purport to reflect, but a great deal about the agency behavior that produced the statistics'.

**Table 2: Implementation of inspections by cantonal public veterinarians**

<i>Canton<sup>1</sup></i>	<i>% of veterinarians' dispensaries controlled per year<sup>2</sup> Required by OVMP: 20</i>	<i>Number of farms<sup>3</sup></i>	<i>% of farms controlled in 2010<sup>3</sup> Required by OVMP: 10</i>	<i>Sufficient resources for inspections available?<sup>4</sup></i>	<i>Outsourcing of the controls of veterinarians to accredited inspection body?<sup>4</sup></i>
1	–	4,342	4.8	Yes	Yes
2	–	1,814	6.5	Yes	Yes
3	–	864	8.9	Yes	Yes
4	20	–	–	Yes	Yes
5	20	12,950	4.1	No	No
6	20	3,865	3.3	No	No
7	20	441	1.6	Yes	No
8	18	525	8.4	No	Yes
9	–	3,120	4.9	Yes	Yes
10	–	1,319	7.1	No	No
11	–	6,053	8.7	No	No
12	20	896	10.4	Yes	Yes
13	–	4,122	9.1	Yes	Yes
14	20	511	5.1	Yes	Yes
15	22.2	5,468	5.4	Yes	No
16	20	1,405	6.3	Yes	Yes
17	20	706	5.4	–	–
18	–	4,445	1.6	No	Yes
19	16.7	4,142	3.6	No	No
20	20	2,578	6.1	Yes	No
21	10	673	7.3	–	No
22	–	3,236	9.9	Yes	No

*Notes:* <sup>1</sup>The names of cantons are not displayed to ensure the respondents' anonymity. <sup>2</sup>*Source:* Authors' own calculation according to self-indications by public veterinarians. Limited validity and comparability of data. <sup>3</sup>*Source:* ISVET. <sup>4</sup>*Source:* Self-indications by public veterinarians. – No indications.

Similarly, there are large cantonal differences in the use of sanctions by public veterinarians in the case of infringements (Table 4). For example, some public veterinarians never charge the costs of inspections on the clients, whereas others routinely do so. Some think that 'sanctions lead to nothing anyway', whereas others urge for even more penalties.

The output performance of private veterinarians concerns the realization of biannual visits within written agreement and the implementation of their duties as FTVP. There is no official statistics of the implementation behaviour of private veterinarians, but the ISVET (Table 5) indicates that most farmers have concluded at least one written agreement with a veterinarian. Yet, the biannual visits as central duty within such an

**Table 3: Results of official inspections of farms: cantonal differences**

<i>Checkpoint</i>	<i>CH</i> <sup>1</sup>	<i>Range</i> <sup>2</sup>	<i>Median</i> <sup>2</sup>	<i>IQR</i> <sup>2</sup>	<i>Dispersion</i> <sup>3</sup>
Drugs are not correctly stored	4.9	19.8	0	0.0–4.3	5
No additional label with correct indications exists	15.6	47.1	7.1	4.6–15.9	6; 6
The administration of drugs is not documented	11.8	27.3	7.4	2.3–16.6	6; 6
The documentation of administration is not complete	13.2	27.4	5.7	3.5–16.7	5; 5
No written inventory exists	21.7	66.7	20.5	9.8–29.7	5; 5
Documentations are not stored during 3 years	9.7	39.1	6.2	1.5–11.4	5; 5
No written instructions for administration exist	11.9	58.8	7	2.6–14.5	6; 6

*Source:* ISVET. 22 veterinary offices. CH = Switzerland. IQR = interquartile range.

*Notes:* <sup>1</sup>% of controlled farms in Switzerland. <sup>2</sup>% of controlled farms in cantons. For number of farms per canton see Table 2.

<sup>3</sup>Italics: Number of cantons above third quartile; others: below first quartile.

**Table 4: Sanctions due to infringements of OVMP, 2009–2012**

<i>Canton</i> <sup>1</sup>	<i>% of controlled farms sanctioned</i>	<i>Number of sanctions against private veterinarians</i>
1	0.8	0
2	–	0
3	0	0
4	0	2
5	9.5	1
6	26.2	0
7	20	36
8	10	0
9	20	0
10	–	18
11	7.5	3
12	17.7	12
13	15.4	5
14	16.8	3
15	5.6	0
16	–	2
17	0	–

*Notes:* <sup>1</sup>The names of cantons are not displayed to ensure the respondents' anonymity. No indications for 5 out of 22 veterinary offices. Limited validity and comparability of data. – No indications.

agreement are only carried out in half of the cases. Furthermore, in more than 50 per cent of the instances of on-farm manufacture (OFM) of medicated feedingstuffs, private veterinarians dispensed the drugs to the farmers even though no written agreement with an FTVP existed (which would be required). Furthermore, even if an FTVP was

**Table 5: Output performance of private veterinarians**

<i>Checkpoint</i>	<i>CH</i> <sup>1</sup>	<i>Range</i> <sup>2</sup>	<i>Median</i> <sup>2</sup>	<i>IQR</i> <sup>2</sup>	<i>Dispersion</i> <sup>3</sup>
No formally correct written agreement exists	15.9	36.8	14.4	4.7–22.9	6; 6
Biannual visits are not carried out	50.1	100	48.2	28.6–66.9	6; 6
In case of OFM: no written agreement with FTVP exists	55.7	100	33.3	0.0–60.0	5
In case of OFM: instructions of FTVP were not followed	49.1	100	0.0	0.0–54.6	5

*Source:* ISVET. 22 veterinary offices. CH = Switzerland. IQR = interquartile range. OFM = On-farm manufacturing of medicated feedingstuffs. FTVP = Fachtechnisch verantwortliche Person.

*Notes:* <sup>1</sup>% of controlled farms in Switzerland. <sup>2</sup>% of controlled farms in cantons. Number of farms per canton see Table 2. <sup>3</sup>Italics: Number of cantons above third quartile; others: below first quartile.

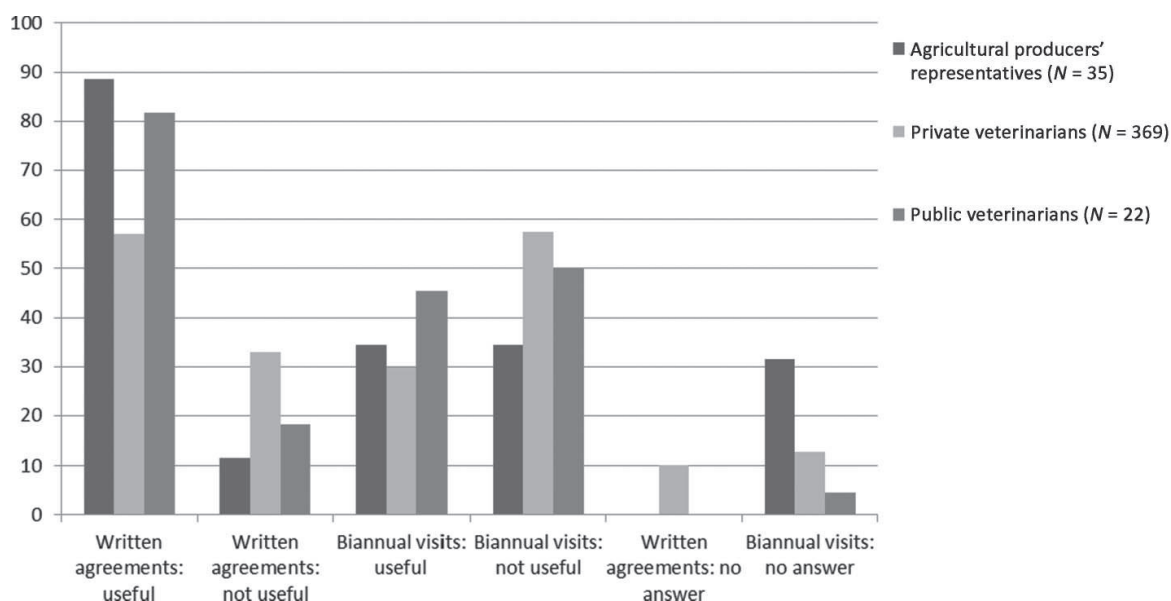
supposedly present on site, his or her instructions were often not followed. These data indicate that a great part of the private veterinarians substantially neglect their obligation to ensure the compliance of farmers with the OVMP's regulations.

Accordingly, our respondents report significant differences between veterinarians concerning their task fulfilment as FTVP. Together with the fact that, despite their specialized education, most FTVP lack knowledge of the technical properties of the OFM facilities, this leads to the wide-spread perception that the private veterinarians are usually not able or willing to assume their responsibilities as FTVP.

Many private veterinarians, but also a notable share of agricultural producers and public veterinarians, doubt the usefulness of written agreements, and even more so, of the biannual visits (Fig. 1). These results show that public and private veterinarians use their discretion during the implementation of the OVMP. As Lipsky (1980) expects, there are systematic differences in the ways in which the output is effectively delivered.

Following Stoker (1998), we should not observe systematic differences between the (deficiency of) output performance of private and public SLBs. Policy addressees judge both public and private veterinarians to comply with the regulations to roughly the same extent, which, however, considerably exceeds the degree of compliance detected in the ISVET data set (Fig. 2).

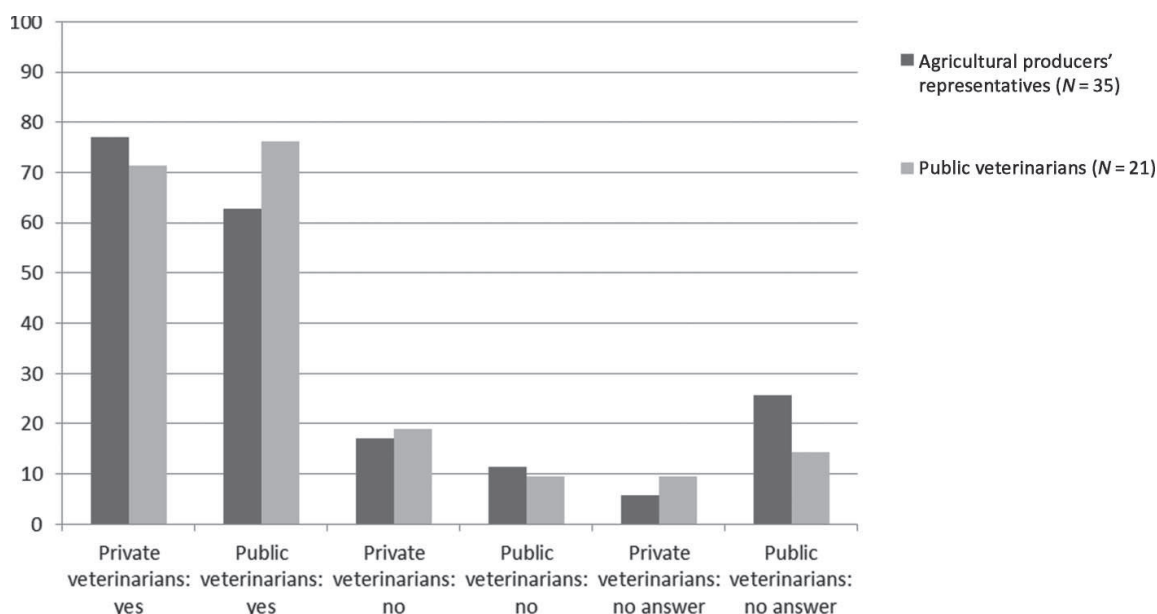
Clearly, implementation failures exist both with public and with private veterinarians but are more severe with the latter (Table 5). The targets of the OVMP are also not met for the official inspections of farms, but much less for official inspections of the veterinarians' dispensaries (Table 2). Thus, there are indeed differences in the output performance of private and public veterinarians which do not support the first hypothesis. The results rather indicate that private governance might lead to worse outputs than public governance.



**Figure 1: Judgement of usefulness of regulations by policy addressees**

Source: Sager et al. 2012. Results in % of interviewees.

Questions: What is your judgement of the usefulness of the written agreements which enable veterinarians to dispense veterinary drugs without a prior personal clinical assessment on site/of the visits on site which must be carried out twice a year by the veterinarian if such an agreement exists?



**Figure 2: Judgement of compliance of private and public veterinarians with the OVMP by policy addressees**

Source: Sager et al. 2012. Results in % of interviewees.

Questions: In your opinion, have the private/public veterinarians changed their behaviour as required by the regulations of the OVMP since it has been issued by 2004?

## EXPLAINING OUTPUT PERFORMANCES

Smith et al. (2011) argue that implementation problems are more severe within private implementation structures. Because SLBs define themselves largely in terms of relationships (Maynard-Moody and Musheno 2003), we focus on the respective reference groups of private and public veterinarians when assessing our second hypothesis.

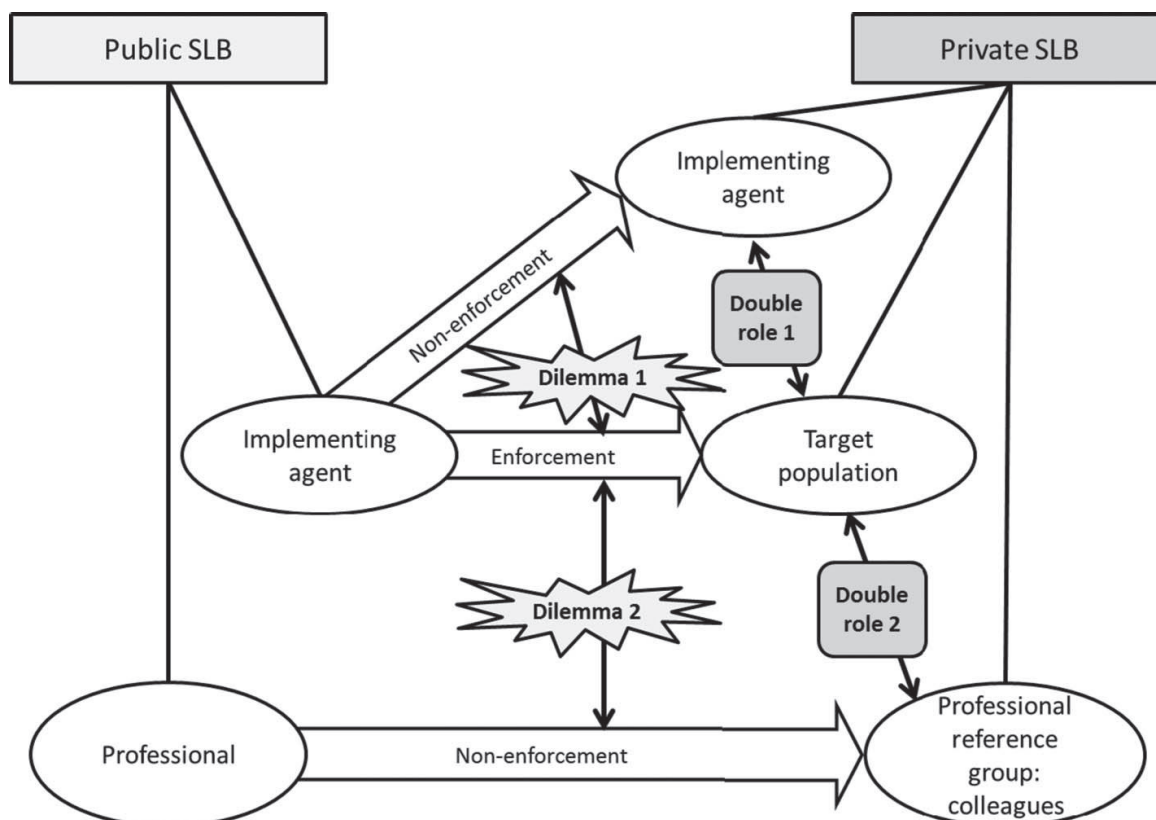
### The relationship between public and private veterinarians

Why are private veterinarians not always controlled and sanctioned as required by the public veterinarians? Public veterinarians are somewhat reluctant to exert authority on private veterinarians. First, they depend on the collaboration of the latter in enforcing the OVMP. The public veterinarians need to ensure the willingness of the private veterinarians to cooperate in making the farmers comply with the OVMP's regulations. Second, the public veterinarians used to be private veterinarians themselves and are professionally and personally interlinked with their former colleagues. Interviewees stressed that these mechanisms are weaker when the inspections of veterinarians' dispensaries are outsourced to an external, independent veterinary office, as done by eleven cantons (Sager et al. 2012: 25).

Interviewees also pointed out that, when inspecting the livestock farms, the cantonal officials are checking whether the veterinarian in charge is doing his/her job correctly. The farmers' compliance with the OVMP largely depends on the collaboration with their veterinarian. If a public veterinarian censures and/or sanctions a farmer, it often also requires a change in behaviour of the private veterinarian in charge. Thus, the argument made above that public veterinarians avoid enforcing the OVMP to maintain a good relationship with the private veterinarians should also hold for the official inspections on farms. This means that the regulatory oversight on the private SLBs is, indirectly, even further weakened by the OVMP's twofold implementation structure.

The different roles of public and private veterinarians and the incentives for policy enforcement, the consequential dilemmas, and double roles are illustrated in Fig. 3. When public veterinarians enforce the OVMP, they should control and sanction the private veterinarians as policy addressees, but, simultaneously, they depend largely on their cooperation as 'colleagues' (Hill 2009). The private veterinarians are therefore the primary reference group of public veterinarians.

The double role of private veterinarians as policy addressees and implementing actors alters their relationship with the public agent. The public-private implementation structure limits the possibilities of public agents to effectively treat the private implementing actors as target group. When using his discretionary power, the public SLB trades off the enforcement of the policy vis-à-vis this first target group against the



**Figure 3: Roles and dilemmas in the relationship between public and private veterinarians**

Source: Authors' own illustration.

enforcement of the policy vis-à-vis the second target group. In line with Smith et al. (2011), the resulting dilemma is *created* by the shift to hybrid forms of implementation: there would not be a problem if the private veterinarians were only clients and not at the same time implementing agents.

The distinction between professional reference group and clientele is far from clear-cut here: the relationship between the two groups is not only affected by the private veterinarians' capacity as policy addressees, but also as a professional reference group for the public SLB. This second double role of the private agents further complicates the dilemma for the public SLB and impairs his output performance. As expected in our second hypothesis, both dilemmas created by the double roles lead to a conflict between the public SLB's professional values and the need to comply with the OVMP's rules.

### The relationship between private veterinarians and livestock owners

Why are the farmers so poorly controlled? The key feature to understand the relationship between the farmers and private veterinarians is that the farmers are not only the



**Table 6: Perceived degree of regulation by OVMP**

<i>The degree of regulation by the OVMP is...</i>	<i>Private veterinarians N = 372</i>	<i>Public veterinarians N = 22</i>	<i>Agricultural producers' representatives N = 35</i>
Too high	79	50	60
Accurate	11.6	30	37.1
Too low	5.4	20	2.9
No answer	4	0	0

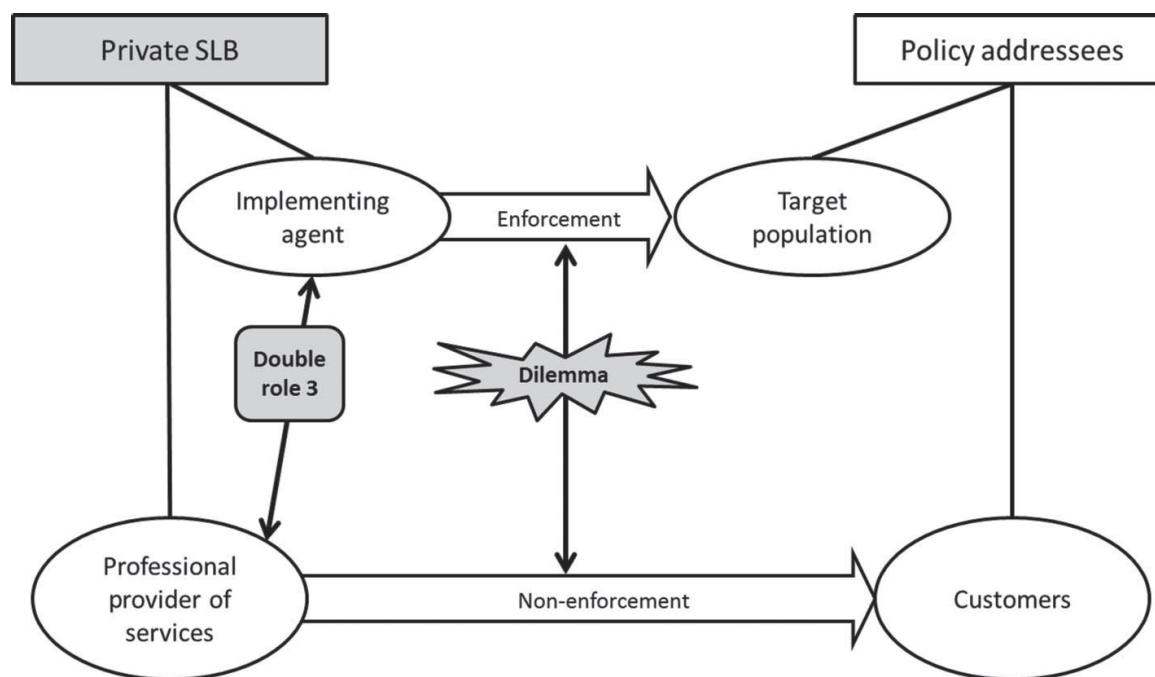
*Source:* Sager et al. 2012. Results in % of interviewees.

veterinarians' target group, but also their main source of income. The private veterinarians are not primarily implementing agents, but service providers and as such, dependent on the farmers. Interviewees have stressed how important it is for the private veterinarians not to annoy their customers.

The regulations of the OVMP are of minor importance to the farmers and mainly perceived as a burden restricting their freedom of action (see Table 6). Most of them clearly prefer collaborating with a veterinarian who does not emphasize compliance too much. Some livestock owners exert significant pressure on veterinarians to stretch the regulations to their own favour, e.g. by dispensing high amounts of antibiotics. The biannual visits are very unpopular amongst livestock owners: half of them do not recognize their usefulness (Fig. 1), nor that of the supervision by FTVP during OFM.

Logically, the easiest way for veterinarians to avoid a loss of customers is if they can bypass unfavourable provisions without having it discovered. An effective enforcement of the OVMP's regulations is a potential threat to the veterinarians' business. This is reflected in the veterinarians' general perception that the OVMP is too restrictive (Table 6). Note that usually the same veterinarian with whom the written agreement is concluded, who thus sells the drugs, also takes over the function as FTVP, i.e. is supposed to ensure the correctness of the process. Moreover, private veterinarians are locally rooted, and a reputation of being 'strict' could potentially alienate other customers. In sum, private veterinarians have a significant economic interest in not carrying out their duties as implementing agents, and the interdependencies created by the business relationship have the potential to aggravate this effect. This illustrates how the SLB's relation with the target group is complicated and gains importance, and a conflict of interest prevails, because the former is private and not public.

Figure 4 illustrates the different roles of private veterinarians in their relationship with livestock owners, the incentives they create for policy enforcement, the resulting dilemmas and double roles. The private veterinarians as SLBs mainly refer to the target group: the livestock owners. When enacting their duties imposed by the OVMP, they have a double role because they are simultaneously implementing agents and providers of services. These two roles create contrasting incentives which are difficult to



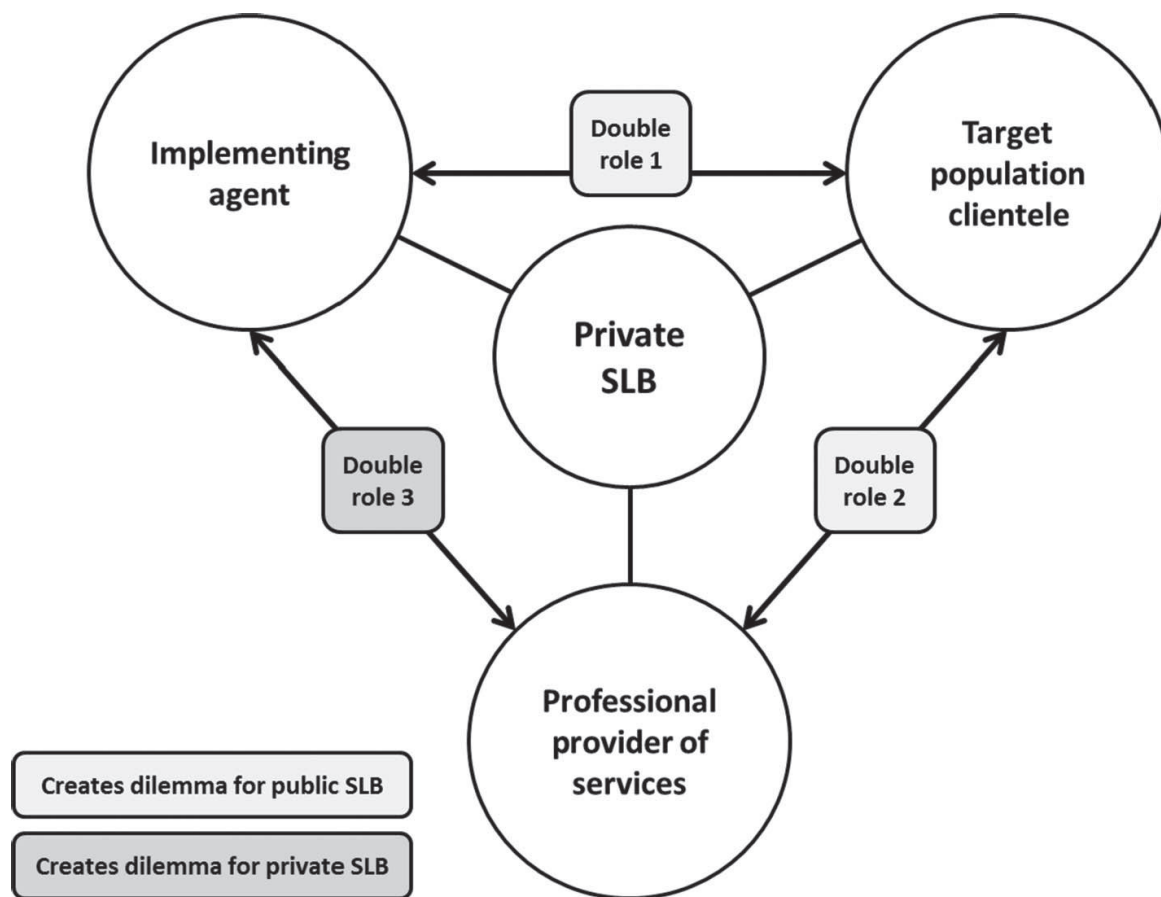
**Figure 4: Roles and dilemmas in the relationship between private veterinarians and farmers**  
 Source: Authors' own illustration.

reconcile. As providers of services, the private veterinarians are economically dependent upon their customers, which limits their scope of action to effectively enforce the policy vis-à-vis the target group. Our analysis shows that economic motivations outweigh the responsibility as implementing agents for many private SLBs.<sup>4</sup>

This is an effect which is particular to cooperative forms of implementation. Only in the private sector can the target group of a policy simultaneously be the customer of the SLB. Contrary to the public SLBs and in accordance with our expectations, it is not the professional values as implementing agents which shape the private SLBs' use of discretion beyond the rules (Lipsky 1980), but the economic aspect of the business relationship with the target group.

## CONCLUSION: THE TRIPLE DOUBLE ROLE OF PRIVATE SLBS

The case of the twofold public–private implementation structure of the OVMP illustrates that there are two types of SLBs in times of new modes of governance: public and private implementing agents, a fact hitherto neglected in the literature. The type of SLB makes a difference for output delivery: contrary to Stoker's (1998) assumption, the outputs of private implementing agents are different from, and slightly worse than, those of government. This roots in divergent goal orientations of public and private actors (Lieberherr 2012; Peters 2011), reflected in different relationships of the two types of SLB with their reference groups.



**Figure 5: Functions and double roles of private SLB**

*Source:* Authors' own illustration.

Conforming to Smith et al.'s (2011) expectations, the complexity of relations in new modes of governance has created multiple, and conflicting, roles for the private SLBs (Tummers et al. 2012). Figure 5 summarizes how private veterinarians as private SLBs have three functions and double roles: they are simultaneously implementing agents, policy addressees, and professionals. This, in turn, leads to additional dilemmas for, and negatively affects the output delivery of, both public and private SLBs in the case of the OVMP.

The fact that the private veterinarians are simultaneously a target population of the policy and implementing agents restricts the possibilities of the public SLBs to effectively hold them accountable and enforce the regulations. This dilemma is reinforced because the private agents are both clientele and a professional reference group for the public agents. The public SLB finds himself caught between rules and professional values. In our example, the diverse double roles reinforce the lack of oversight over the output performance of the private veterinarians.

The latter, in turn, is shaped by the private SLBs' double role as 'public' implementing agents and 'private' providers of services. This creates a dilemma where economic interests often impede the effective enforcement of the OVMP. The private

SLBs' reference group when deciding about the use of discretion is both clientele and their main source of income. Consequently, the power relationship is altered and one of Lipsky's main assertions about public SLBs might need to be reconsidered for private SLBs, namely that 'clients are *not* a primary reference group of street-level bureaucrats' (Lipsky 1980: 47, emphasis in the original). If the clients can indeed withdraw from encounters with the private SLBs, and the latter depend on the former, the clients *are* in a position to discipline the private SLBs.<sup>5</sup> When the clientele holds the private SLBs accountable, Hupe and Hill's (2007: 294) assumption that participatory accountability is not predominant in 'performance' modes of implementation may not be accurate in private implementation settings. This highlights the importance of economic interests in the relationship between private SLBs and their reference group in times of hybrid implementation.

Our case study shows that it can be problematic if an actor is simultaneously target group of a policy and implementing agent. It also suggests that a private provider of services may not always be interested in enforcing a public policy vis-à-vis their customers, e.g. due to economic dependencies – a factor which is particular to private forms of implementation.<sup>6</sup> This is not to say that the involvement of the private sector in the implementation of public policies inescapably impairs policy outputs. However, we argue that the increased complexity of interrelations between actors in new modes of governance can have an effect on output performance. In particular, regulators should take into account the fact that private implementing agents equally act as SLBs. This implies the possibility that 'the exercise of street-level discretion with minimal accountability gives workers undue power over the [...] enforcement of obligations [...], introducing their own biases' (Meyers and Vorsanger 2003: 249). Hence, ensuring adequate output performance requires a careful assessment of the incentives created by the implementation arrangement (May 2003). Our analysis supports Baldwin et al.'s (2011) assertion that in the absence of a real threat of public enforcement, private agents may use their discretion as SLBs to pursue their private, instead of the public, interest. Discretion is inherent to street-level work, but private SLBs can face conflicts between the interests they have in their private role and, in their public role, which stem from the increased complexity and alterations of the SLB's relationships with their reference groups. If the private SLB's output behaviour is not directly controlled, the limits on the political control over SLBs are exacerbated when tasks are delegated to the private sector (Winter 2000).

In order to understand whether and how implementation arrangements impact policy outputs, we suggest a systematic analysis of the relationships of the implementing actors with their reference groups (clientele and professional). Considering the insights of organizational sociology on the importance of power relationships (Crozier and Thoenig 1976; Parsons 1956), this entails, first, an evaluation of the different roles taken by the actors concerned by the policy, and second, the identification of the implementing agents' respective reference groups. For each role, the relationship with

the reference group should be analysed with a specific focus on the impetus it creates for the implementation of the policy. This facilitates the identification of eventual multiple roles and/or conflicting interests which could create dilemmas for the implementing agents. We believe that such a consequent application of the analytical tools laid out by Lipsky (1980) provides a powerful instrument to gain a clearer understanding of the impact of implementation structures on individual behaviour.

## NOTES

- 1 As opposed to organizations or networks or other forms of semi-private or societal actors.
- 2 The cantons Uri, Schwyz, Nid-, and Obwalden, as well as Appenzell Innerrhoden and Ausserrhoden, share one public veterinarian. Zug did not participate in the interviews, but Liechtenstein is subject to the OVMP and treated as a 'canton' henceforth.
- 3 From 2004 to 2010, only 6.24 per cent of Swiss livestock farms have been checked on average (ISVET). There are no substantial differences between years.
- 4 We focus on economic aspects because they are a particularly revealing feature of the implementation arrangement. However, other factors affect the private veterinarians' output performance; for instance, they share a sense of being field actors with the farmers and they feel they know best what the relevant field measures are.
- 5 This kind of dynamic is described by Lipsky (1980: 56) using the example of doctors which become much more solicitous when patients have medical alternatives on which to draw.
- 6 We do not preclude the possibility that the introduction of market principles in the vein of New Public Management reforms may have similar effects.

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