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**RULES AS INSTITUTIONAL CONTEXT FOR DECISION MAKING IN NETWORKS:**

the approach to post-war housing districts in two cities

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## SUMMARY

One of the issues within the network approach to policy concerns the influence of the network structure on the policy processes that are taking place within it. A central point is the concept of rules. The basic assumption is that actors in networks form communal rules during their interactions. This article shows the way in which these network rules influence the policy processes. First, the rules of two local social housing networks are reconstructed. We then show how these rules differ, for example in terms of rules for conflict regulation and autonomy, between the two networks and how they influenced the decision-making surrounding the rehabilitation and restructuring of post-war housing districts that took place within these

networks. We look at the extent to which these differences in the rule structures of the networks explain the differences in the development of the decision-making processes. The article concludes with a discussion of rules as a context for decision making.

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## 1. INTRODUCTION

Within public administration a good deal of attention has recently been devoted to institutions and institutional explanations. After a long period in which policy processes were viewed primarily as resulting from more or less goal-oriented decisions and in which the analytical emphasis lay mainly on actors' goal-oriented strategies (see March/Olson, 1989) the institutional dimension of administrative behavior and administrative processes has once more taken center stage (Scharpf, 1997; also Scott, 1995). One of the developments which fits into this turnaround is the attention devoted to governance in networks (Marsh/Rhodes, 1992; O 'Toole, 1997; Kickert/Klijn/Koppenjan, 1997).

The network perspective assumes that policy is developed and implemented in networks in organizations. These policy networks can be defined as 'changing patterns of social relationships between interdependent actors which take shape around policy problems and/or clusters of resources and that are formed, maintained and changed by an ecology of games between these actors' (Klijn, 1996a: 97; see also Kickert/Klijn/Koppenjan, 1997). Within these policy networks actors conduct themselves strategically in policy processes. In this theoretical framework, policy processes are viewed as (series of) games (for the concept of game, see Allison, 1971; Crozier/Friedberg, 1980; Scharpf, 1997). The multiplicity of actors and their various and sometimes conflicting perceptions, interests and strategies make these games complex (see Klijn, 1996a, also Cohen/March/Olsen, 1972, Lindblom/Cohen, 1979).

Networks come into being and remain in existence because actors are dependent on each other (Aldrich, 1979; Negandhi, 1975; Wamsley, 1985). Actors cannot achieve their objectives without resources, which are in the possession of other actors. Networks are thus characterized by a limited substitutability of resources, which ensures that sustainable social relations between

actors are created. In separate policy games actors endeavor, within the constraints of their dependencies and the context of the game, to achieve interesting objectives.

Thus the network perspective stresses the importance of both stability and complexity: the stability of long-term social relations, and the complexity that results from the interaction of different perceptions and strategies of various interdependent actors. Usually in empirical analysis it is only complexity that is elaborated. Empirical research is directed at the patterns of interaction, the strategies of the actors or their different perceptions, frameworks or theories in use. The aspect of stability, of shared rules between actors in networks, is rarely the object of empirical research. One reason for this is that it is very time consuming to analyze more than just formalized written rules. If one assumes that rules are being created by the actors themselves in interaction, then the researcher has to do the work of reconstructing the rules from what the actors say and do.

The question of what rules regulate the behavior of actors in networks, how these rules change and how they affect the interactions within networks are both interesting and relevant. In this article an attempt is made to analyze the rules of networks and their impact on interaction and decision making. For this analysis two local housing networks in the Netherlands, one in Rotterdam and the other in The Hague, are compared. An analysis is made of the rules and of the decision-making processes at work in these two networks for the rehabilitation of post-war housing and the restructuring of post-war housing districts.

Section 2 states first the theoretical framework that was used for the study and ends with an explanation of how the research was carried out. Section 3 describes the context of the study: the Dutch housing system and the policy-making process for rehabilitating post-war housing. This section also gives a very brief description of the policy-making processes in the two cities and the main differences between them. Then in sections 4 and 5 an analysis is made of the rules that

are operating in the two local housing networks. The relationship between the two sets of rules and the outcomes of the interaction patterns are elaborated. The article ends with some conclusions on the effects of network rules on interactions and tries to summarize some promising directions for future research.

## 2. NETWORK RULES AND DECISION MAKING: A THEORETICAL FRAMEWORK

Through their sustained interactions, actors create network structures: rules and resources that (will) have a structuring effect on future interactions in the network. The original inspiration for the structure concept and how it relates to interactions comes from the English sociologist Anthony Giddens (1979; 1984). Giddens summarizes the distinctive relationship between structure and interaction in his term 'duality of structures'. Structure is a precondition for action, and at the same time it is affirmed and changed during that action. We can use a linguistic example to illustrate what Giddens means by this duality of structures. We use grammatical rules to create practical language: speaking and writing. Without these rules communication would be impossible. At the same time, however, grammatical rules change during everyday use. Styles of speaking and writing become obsolete and are replaced by others. New spelling rules are developed which might be formally initiated or may simply be a codification of rules that have been in informal use for some time. The process of institutionalization in which rules are formed and changed is a continuous, ongoing process (Berger/Luckman, 1966; Zijderveld, 1974). Game rules regulate actors' behavior without determining it. Outcomes of the game are determined by the interaction of the participating actors' strategies. The statement that rules regulate actors' behavior in a game needs further analysis. Rules are not natural laws and actors are not pawns in

a game with no will of their own.

### **Characteristics of rule-guided behavior**

Rules can be described as generalizable procedures that are adopted in the production and reproduction of games (freely rendered from Giddens, 1984: 18-21). One might characterize them as algorithms that provide social actors with a handle to determine the correct line of behavior. It will become clear that this description is too formalistic and too rigid. Rules can be formally laid down or have a more informal, tacit character. Although both are important, in this article the emphasis will lie on the informal rules.<sup>1</sup> In this analysis the cognitive aspects of rules are underlined. The main emphasis will lie on the basic assumption that rules structure meanings and create cognitive frames through which reality is viewed.<sup>2</sup>

Rules are learned during participation in the game but are at the same time never entirely unambiguously present. They are only partly codified. Rules relate to the accepted and possible margins of action. They offer scope for action and at the same time delimit it. But what does it actually mean: actors follow rules? In other words: what are the features of rule-guided behavior (Klijn, 1996)?<sup>3</sup>

#### *Rules structure social practices*

Without rules, in the sense of generalizable procedures that regulate action, games would not be possible because the players would have no shared meanings at their disposal to enable interaction. Rules thus offer a framework within which concrete interactions can take place and can be interpreted; rules structure social practices. That does not mean, however, that certain social practices are guided by only one rule (Giddens, 1984). Social practices are usually underpinned by a series of overlapping rules. In analysing the rules in games, attention focuses

on specific, generalizable procedures in those practices.

*Rules need 'followers'*

Rules assume a regularity but not a pattern. There is an essential difference between the two and this is linked to the fundamental difference between social and physical rules. It refers to the fact that rules must have followers and can only be maintained *by the will of the actors*. Rules as such can also be criticized and changed. They only continue to exist if they are continually (re)affirmed by actors either overtly or tacitly. Disobeying the rules can be followed by a whole range of possible sanctions.

As March and Olsen show, rules display a 'logic of appropriateness' (March and Olsen, 1989: 23-24). This involves interpreting the situations in which players find themselves and translating this interpretation into action based on the appropriate rules. Applying rules to specific situations is usually uncertain and requires interpretation. This interpretation contains an important source of conflicts about and changes to rules (March/Olsen, 1989; Weick, 1979). The following of rules and their continued existence thus does not take place 'behind actors' backs' but is a consequence of the actions of actors who use rules as an interpretative framework for those actions.<sup>4</sup>

*Rules relate to actors' competence.*

Rule-guided behavior means that actors have implicit knowledge about how to act in particular situations. As Duintjer (1977: 27) states, understanding the art of following the correct rules of behavior in a particular situation is a practical skill. Such implicit knowledge is acquired by actors during socialization processes (Burns/Flam, 1987). Rules are very important to routine processes, for example. Various actors emphasize the enormous amount of knowledge which is

needed to carry out routine actions but also the enormous number of rules which regulate such routine actions (Giddens, 1984: 22; Morgan, 1986: 130). In many cases this knowledge and the rules used remain implicit. Explaining the rules often involves an interpretation of those rules and can also change the use of rules.

### *Rules are trans-situational and not actor-bound*

Rules bear upon the relationships between actors. They regulate the interactions between actors and are thus by definition neither actor-bound nor specific to one situation. Rules thus relate to repeated behaviors of actors in different situations and are also valid over a longer period in a particular social context. Cohen (1989: 43) states in this regard, 'Rules of conduct are trans-situational, in the sense that they are involved in forms of conduct that are (I) reproduced and recognized many times over during the routine activities undertaken by members of a collectivity, and (II) reproduced and recognized for a considerable period in the history of that group, (...) - rules of conduct may be conceived as trans-situational properties of a collectivity that enter into the reproduction of institutionalized conduct.' Rule-guided behavior entails participating in joint social practices (Duintjer, 1977). Rules are characteristic of the network or of part of it. They are created and remain in existence because actors maintain shared practices. Actors feel safe in a situation because they share the same rules in that particular situation. This means that in order to follow rules actors must be part of a 'collective community', however loosely organized it may be.

### **Rules and actions: a complex relationship**

Because, as has been said, social practices within games are nearly always regulated by overlapping sets of rules, and that, in addition, rules are often abstract and ambiguous, the



players have to constantly transpose the rules as they know them into the concrete situation. It is not always clear which rules apply in a specific situation and how they should be applied in a particular case. Application and interpretation of rules can thus cause shifts and changes in the network's set of rules. Furthermore, rules can be consciously broken. The fact that rules need to gain a following means that they must be supported by the actors within the network.

In this way there is a continuous interplay between the rules, i.e. the structure of the network, and the games in which the rules are used. It will be clear that in a 'normal, routine situation' only a small portion of the rule pattern of the network is explicitly under discussion. Interaction between actors would be very time consuming and laborious if all the previously made rules had to be reconfirmed in every single new game. A large part of the network structure will therefore be 'taken for granted' and will not be under discussion (see, e.g., Duintjer, 1977; March/Olson, 1989; Scott, 1995). For various reasons, only a small section of the rules comes 'under pressure' in any one game. This ensures a certain continuity in the network. Since rules are trans-situational and not actor-bound they have to be supported by a number of actors. This is another reason why it is unlikely that rules will change at the drop of a hat: all the actors would have to decide simultaneously that particular rules were no longer relevant to their actions. Furthermore, rules are often embedded in a whole set of interconnected rules, which makes them less prone to rapid change. Rules thus ensure a certain stability in actors' behavior, without determining that behavior or its outcomes. One could also say that rules enable actors to assume a particular behavior on the part of other actors without this having to be tested in a concrete case each time. Rules reduce uncertainty about the behavior of other actors but cannot ever remove it completely; after all, actors are not factors.

### **Types of rules in networks**

An analysis of network rules is certainly relevant to gaining an insight into policy processes. The question is, however, what should the analysis concentrate on, in other words which rules or types of rules might be important to an analysis of policy networks. For an analysis of rules it is necessary to determine what types of rules the researcher is looking for. In the research into the rehabilitation and restructuring of post-war housing districts, use is made of a typology that distinguishes between interaction rules and arena rules.

The two types of rules have their own distinctive features. Arena rules provide the actors with a handle in determining the nature of the game and network in which they find themselves. These rules define a particular practice. Duintjer (1977) argues that this type of rule is often not recognized as a rule because it is 'taken for granted' (Duintjer, 1977: 46). Interaction rules, on the other hand, clearly have a procedural character that tells actors what is and is not permitted within the network. They modify behavior within the arena rules.<sup>5</sup> In both types of rules a number of aspects are distinguished – they could be termed subsets of rules – that have had special attention devoted to them in the research (see Klijn, 1996: 64-66). In distinguishing these subsets a correlation is sought with existing classifications (see especially Ostrom, 1986; Burns/Flam, 1987).

In the arena rules three subsets are distinguished. These are:

- rules that specify what is relevant and what is not for the actors involved in the network in which they are operating (*reality rules*). In other words, they furnish the actors with a sort of policy paradigm (Benson, 1982). Within this subset two types of rule are chiefly examined: rules concerning the identity of actors (*identity rules*) and professional standards that exist within a network about products and services that are provided (*product rules*). For example, in the non-profit housing sector clear, professionally shared standards regarding the quality of a dwelling are distinguished;

- rules that specify rewards for behavior (*reward rules*). These rules regulate which advantages and disadvantages are linked to particular game interactions. This might include formalized rules (e.g. subsidy rules) but also more informal rules in which status and evaluation criteria of outcomes are regulated.
- rules that specify the positions of actors in the network (*position rules*). Again, this involves not only formal rules but also more informal rules that specify the status of actors. Position rules are closely linked with the power of actors in networks.

In the interaction rules two subsets of rules are distinguished:

- rules that regulate access to playing in the network (*entry rules*). Entry rules regulate, for example, how exclusive a particular game will be (do all actors from the network have access or not) and how actors for a particular game are selected. This category of rules is closely connected with the position rules. They are frequently a refinement and extension of these rules;
- rules that regulate the mode of interaction between actors (*interaction rules*). A non-intervention rule is an obvious example of such a rule. Rules that regulate the provision of information or the method of regulating conflict management are other, though less obvious, examples of interaction rules.

Table 1 provides an overview of the subsets of rules mentioned above (see Klijn, 1996).

TABLE 1 A TYPOLOGY OF RULES

	Description	Aspects	Examples
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Interaction rules	Rules that regulate the game interactions; i.e. rules that specify what is and is not permitted in games between actors	Entry to policy game (entry rules)	-exclusivity -selection -exit options
		Interaction in policy game (interaction rules)	-(non)intervention -provision of information -conflict
Arena rules	Rules that regulate the game setting; rules that define the social practices and distinguish important matters from unimportant ones.	Reality (reality rules)	-identity of actors (identity rules) -product rules
		Reward (reward rules)	-status -evaluation criteria
		Positions (position rules)	-status -powers

source: Klijn, 1996

### **The study: rules and decisions in post-war housing policy**

In the following sections the decision-making processes concerning the restructuring of post-war housing districts and the rules of the Rotterdam and Hague social housing networks are briefly analyzed using the typology in Table 1. This analysis is part of a larger study on the influence of network rules on complex interaction processes in networks that was conducted in the period 1991-1996 (Klijn, 1996). In the present study the rules of three housing networks have been reconstructed. In addition, the study consisted of a quantitative analysis of interaction patterns in

the three local housing networks and a reconstruction of the decision-making processes concerning the post-war housing districts in these networks in the period 1985-1995 (in this article only parts of the decision-making processes are described and analyzed). Questionnaires were used to gather the quantitative research on interaction patterns, and qualitative interviews were conducted in order to reconstruct the rules. Because of limited space only two cases and only a limited part of the quantitative findings are presented. An extensive theoretical elaboration on networks, rules and network management is presented elsewhere (see Klijn, 1996a; Kickert/Klijn/Koppenjan (eds.), 1997). This article focuses on the question: which rules are important in local housing networks in the Netherlands and how do they affect policy interactions concerning restructuring post-war housing districts in these networks? The emphasis is on reconstructing the network rules and analyzing their impact on decision making. The policy interactions are analyzed briefly. All the quotes used in the article are taken from the interviews conducted for the study.

### 3. THE CONTEXT: DUTCH HOUSING POLICY AND THE POST-WAR HOUSING PROBLEM

Dutch housing policy has a long history. Over many years it has exerted a strong influence on the content and interaction patterns of local housing policy and on the development of network rules. In this section a very brief explanation of Dutch housing policy is presented along with the policy problems concerning post-war housing. This is followed by a brief discussion of the local housing networks in Rotterdam and The Hague and the key interactions around the restructuring of two post-war housing districts in these cities. The housing networks are analyzed by

‘mapping’ the actors involved.

### **The context of the study: the Dutch social housing system**

After the Second World War the central government played an important role in the Dutch housing system, for example by actively pursuing a policy to keep rents low. In the early post-war years wages needed to be kept down in order to build up a strong export industry and this led to rents falling below cost price. Subsidies (known as ‘object subsidies’) were introduced to guarantee the construction of new dwellings. There was a need for both a large number of units as well as keeping them relatively cheap. The population increased sharply after the war but the demands of rebuilding the industrial base meant that nobody could afford much luxury. Because of this, the post-war housing policy relied strongly on the development of a broad non-profit rental sector. In the Netherlands this is referred to as social housing and it has exerted a strong influence on the Dutch housing market. The sector grew from just over 10% of the housing stock immediately after the war to more than 40% in the 1990s. Home ownership has only been promoted in recent years, increasing from just over 25% after the war to 50% at the end of the nineties, due to strong economic growth in the seventies and the period from the late eighties to the end of the century.

The construction and management of social housing was in the hands of housing associations, non-profit-making bodies that are authorized by the central government but manage their dwellings independently. It is these organizations that own the lion's share of the dwellings dating from the period 1945-1960, a result of the post-war housing policy that relied so heavily on subsidized building in the non-profit sector.

The commercial rental sector did not build much in the period 1945-1970. Only in the seventies did they start to build a large number of dwellings. This stopped again at the end of the seventies

when house prices went down along with the rest of the economy, and picked up again at the end of the eighties.

Since the late eighties and early nineties the (social) housing system has changed drastically. Object subsidies have been largely phased out and the central government is now far less involved. Housing associations have become more independent, less tied to both government regulations and government subsidies.

At the local level, where social housing policy is implemented, municipalities play an important role. In addition to programming and initiating new housing development, since the seventies they have also been significantly involved in urban renewal. This means that in the restructuring and rehabilitating of the early post-war housing districts, the subject of our analysis, the municipalities and the housing associations are two of the most important players. In addition, since the seventies it has become customary to involve residents and residents' organizations in the preparation and implementation of urban renewal plans.

### **Housing networks in two cities: the context for rehabilitating post-war housing districts**

As said before, the most important actors at the local level in housing policy are the local government, which can be divided into the offices of Housing and Environmental Planning, local politicians and housing associations. This can also be seen when the interactions of the various actors are mapped as has been done in scheme 1 and 2<sup>1</sup>. Other actors that appear in the network are residents' organizations, architects, construction companies and real estate agencies.

Mapping the interactions between actors has been done by Multi Dimensional Scaling. This is a

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<sup>1</sup> The adequacy of the figures is expressed in the stress of the configuration. A low stress means that the distances in the figure give a good indication of the interaction patterns that have been found. The stress of both figures is low (first figure .16296 and the second figure .12340).

technique often used (Scott, 1991) in which distances are calculated between actors on the basis of interaction matrices that contain information concerning the interactions of each actor combined with all the other actors that have been examined. This complex diagram is presented in two dimensions, in which actors with the same pattern of interactions find themselves close to each other.<sup>2</sup>

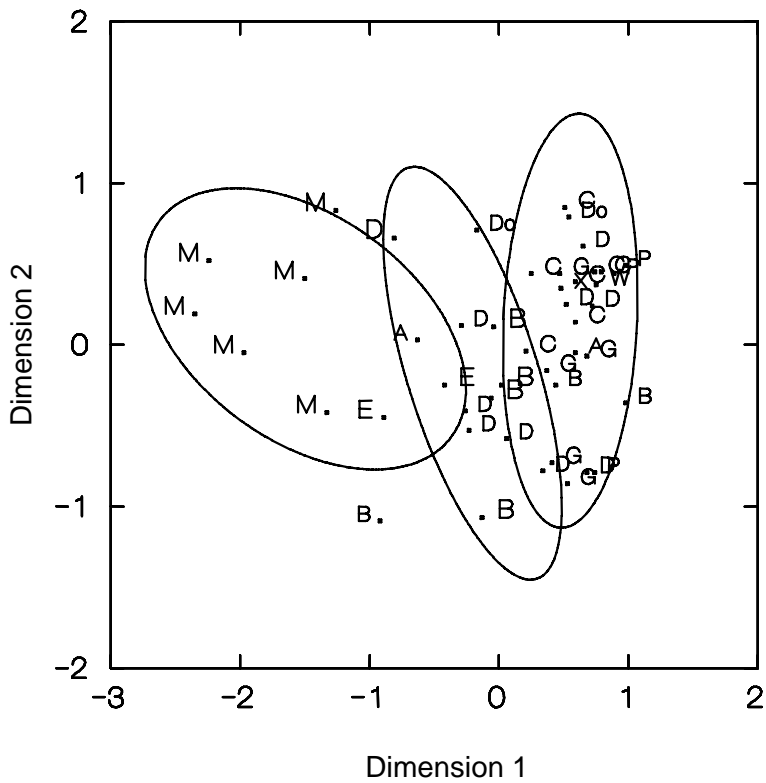
Looking at the schemes we see that in Rotterdam basically three clusters occur. The first cluster of actors at the right of the figure contains mainly housing associations, sub-municipal governments and some departments of the office of City Planning and Housing. This first cluster also includes the city alderman and several politicians. In the second cluster are most of the residents' organizations and some other departments of City Planning and Housing. The departments here are more decentralized than those in the first cluster. Compared to the actors in the first cluster, these actors have less frequent contact with other actors and a less varied interaction pattern. The third cluster mainly consists of commercial actors (construction companies, real estate agencies and project developers). When compared with the actors in the other clusters these generally have little interaction with other actors.

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<sup>2</sup> Note that the computer calculates the dimensions, which are in fact distances between various actors.

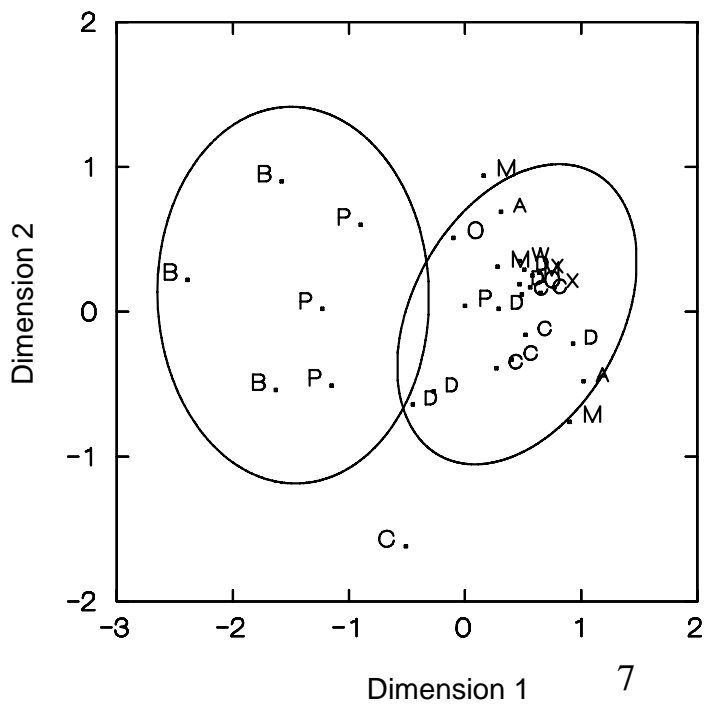


Figure 1 Patterns of contact in Rotterdam (1994)



A=architect, B=residents organization, C=housing associations, D=civil service department, F=construction company,  
 G=sub-municipalities, M=real estate agency/developer, O=organization of small firms, P=political party, W=city alderman, X=research  
 organization

Figure 2 Patterns of contact in The Hague (1994)



A=architect, B=residents organization, C=housing associations, D=civil service department, M=real estate agency/developers, O=organization of small firms, P=political party, W=city alderman, X=researchorganization

In the case of The Hague we see two clusters of actors. The left cluster consists of residents' organizations and politicians. The actors in this cluster do not have a wide variety of contacts or a high frequency of interactions when compared to the other cluster. That cluster contains the 'professional' actors such as housing associations, project developers, departments of the office of Environmental Planning and Policy and of the office of Housing. Generally speaking, all these actors have many contacts with each other and their interactions are rather varied.

Both networks can be described as tightly integrated. Most actors interact frequently with each other and recognize each other as important (Klijn, 1996: 136-138). Despite differences between the two networks their main features are the same. In both cases the heart of the network consists of actors that are deeply involved in social housing: housing associations and local civil service departments (mostly those involved in housing policy, environmental planning or land use). In addition to these two groups of actors, the city alderman and sometimes a project developer are part of the 'core' of the network.

The networks also show some differences. Residents' organizations are better integrated in the Rotterdam network than in that of The Hague where they have a peripheral position. Politicians in the network in The Hague are more peripheral than in the Rotterdam network.

### **Post-war housing in two cities: complex policy processes**

In many large cities there is a large stock of dwellings that was built between 1945 and 1960. The buildings are mostly four-storey walk-ups and are almost exclusively owned and managed

by housing associations. The units are rather small (usually no more than 60 square meters), not very luxurious and most are in need of repair. Because of these problems a strong migration movement began in the seventies. Tenants with higher incomes moved out and were replaced by those with lower incomes. Due to the low rents the dwellings are still in demand, but now by different groups. In the beginning of the eighties discussions about these neighborhoods started within local networks. Tenants demanded maintenance and improvements. The housing associations started to upgrade the dwellings with outside repairs and insulation, and they installed new kitchens, toilets etc. This fit into the urban renewal approach practiced since the beginning of the seventies. With subsidies from the central government large numbers of post-war dwellings were renovated for the current occupants.

Most of the tenants are satisfied with this improvement strategy. Important for them is that, because the improvements are limited, the increase in rent is not too high. The housing associations, however, are less satisfied. They see that the improvement strategy does not affect the housing market position of the dwellings: the units remain very small and only in demand by low income groups. They claim that in this way segregation in the neighborhoods is reinforced.

### ***Rehabilitating of the housing stock in Overschie: 1984-1990***

Overschie is a neighborhood of Rotterdam containing about 3,000 dwellings. Of these, more than 1,000 are from the period 1945-1960, owned by the Rotterdam Municipal Housing Association (GWR). Many of the remaining 2,000 dwellings are of pre-war housing stock. The problems described above are very visible in the 1,000 post-war dwellings and residents have tried to convince local government and the GWR to improve them. In 1984 the GWR launched a maintenance and improvement program, but because of serious financial problems within the GWR the city council ordered the improvements stopped in 1985 (at that time the GWR was a

department of the local government; it has since been privatized).

The city alderman decided that a project group would make an improvement plan that would also include a sound financial investment strategy. The project group, which started in the second half of 1986, consisted of the various departments of the office of City Planning and Housing (of which Housing is the most important) and the GWR, residents' organizations and the sub-municipality Overschie. During the decision-making process it became clear that various differences of opinion existed about the rehabilitation of the post-war housing stock in Overschie. The Housing Department, a strong actor in renewal projects, supported an ambitious renovation plan. This was also supported by the residents and some other civil service departments. But the GWR did not agree. Compared to the subsidies available for pre-war rehabilitation, those for buildings constructed in the post-war period are very small, making a large renovation project very costly. Instead, the GWR wanted to demolish a significant part of the stock in order to build new dwellings that would have a better market position. The actors arrived at a deadlock. In an internal memorandum dated 11 November 1987, the then-district manager of the GWR in Overschie displayed his resignation about the decision-making process: 'We wonder whether all the time and effort which both you and we have put into this will lead to an acceptable policy plan for Overschie.' This memo was written at the same time as a group was being put together to draft the policy plan. They were charged with 'solving' the differences in opinion between the actors and had to propose an integrated plan for Overschie. Strange is that the GWR, one of the most important actors involved, was not included in the policy drafting group. Despite the objections of the GWR the drafting group drew up a renewal plan that was presented at the beginning of 1988 and strongly focused on renovation. The GWR did not accept the plan and refused to cooperate any longer. This invoked furious reactions from the other parties (especially residents' organizations) and the city alderman decided to set up a special

project group with the top managers of all the organizations to develop a new plan that would be more financially solid. After some time this resulted, in the first half of 1989, in a plan that increased the number of dwellings to be demolished and in which the city government would provide some of the subsidies for dwellings to be renovated. This was acceptable to all parties and from then on the character of the interactions changed. Hostility no longer dominated and pragmatism took over, with interactions aimed at realizing the main features of the now accepted plan.

### *An investment strategy for The Hague Southwest: 1991-1994*

In December 1993 the preliminary design of the Integrated Implementation Plan for The Hague Southwest was finally completed. This was part of an investment strategy that had been adopted by the city of The Hague in the summer of 1991. The intention was to achieve an integrated approach to The Hague Southwest by means of public-private cooperation.<sup>6</sup> The most important planks of the investment strategy were an organizational structure responsible for the approach, a joint fund for financing property costs in order to balance cost-effective and non-cost-effective investments and an Integrated Implementation Plan.

For the organizational structure a provisional body, the development company, was established in October 1991. This would become formalized and permanent in a later phase when the Integrated Implementation Plan was completed. The process got off to a slow start. The housing associations were not very enthusiastic about the plan and looked suspiciously at the two commercial actors that were drawn in by the city alderman. It was only after the summer of 1992 that enthusiasm gradually increased and serious talks started between the housing associations, commercial developers and departments of the local civil service. There had been a gradual change in perception by the housing associations. They had become convinced that,

because of the reduction in subsidies from the central government for upgrading housing and the changing housing market, simple renovation was not enough to position the dwellings well in the housing market.

The joint fund idea suffered an early demise. The housing associations were not willing to participate. The organizational structure never really got off the ground either, despite many efforts by the provisional development company to think of a form that would be acceptable for the different actors. The Implementation Plan had been worked on since the beginning of 1993. For more than seven months five housing associations, two commercial investors, various municipal departments and the chairman of the housing executive board had been negotiating about the action plan for the districts of Morgenstond, Moerwijk, Bouwlust and Vrederust, all of which had been built in the fifties. On 1 January the plan entered the public participation phase. Because the partners expected some opposition they kept the number of dwellings that would have to be demolished low. The plan also contained ideas for redesigning the public space in the neighborhoods.

It rapidly became clear that there was indeed a good deal of opposition from the residents in Southwest. The parts of the plan dealing with demolition and new development proved particularly controversial. Before the total extent of the residents' opposition became entirely clear, however, the coalition split up. Two of the associations soon came up with alternative plans, and discussions about the allocation of sites stagnated. The municipal departments attempted to take over control of the process that had been in the hands of the provisional development company. Following elections in 1994 the new chairman of the housing executive board decided that the city should take over supervision of the restructuring of Southwest. The provisional development company was dissolved. The Housing office's action plan was finally adopted in December 1994 but bore only the most superficial resemblance to the Implementation

Plan presented a year earlier.

#### 4. THE RULES OF THE ROTTERDAM URBAN RENEWAL PROGRAM

One of the fascinating questions in the first case is why the Rotterdam Municipal Housing Association (GWR) accepted its exclusion from the policy drafting group when this was so important to its existence. An explanation cannot be found along rational strategy lines: rational strategy would predict that they would have participated and then objected to the improvement plans that were proposed. A more institutional analysis of the rules of the Rotterdam network is needed.

The Rotterdam urban renewal program, in which renewal plans were made in project groups whose members included municipal departments, residents and (only eventually) housing associations, has virtually become a model for urban renewal in the Netherlands. Over time, a large number of ‘typical Rotterdam rules’ have cropped up elsewhere that have a regulating effect on the behavior of the participating actors. Reconstructing these rules is important in understanding the policy process that occurred in Overschie. In the following section the most distinctive rules are reconstructed. After this, the conduct of the GWR is set in the context of the Rotterdam social housing and urban renewal network rules.

##### **The association as subsidiary actor: position rules**

The Rotterdam urban renewal program is characterized by a large number of rules. These are explicit and professional rules that establish quality standards for a good urban renewal project, and were specifically developed by a department of the municipal office for City Planning and

Housing (DROS). There is a strong emphasis on technical quality (floor plans of the dwellings, price/quality ratios, etc.). But there are also clear rules with regard to the position of the actors. In the Rotterdam urban renewal program the various departments of the DROS, in particular the Housing Department (VH), played a prominent role. At the start of the urban renewal program, residents' organizations were in a strong position but the housing associations were subsidiary, particularly early on. As someone involved at the time described it:

*The Housing Department was of course in an extremely strong position, not only compared to the GWR but compared to all the associations. The Housing Department was top dog; if it wasn't their idea then it wasn't any good.*

Another unwritten rule in Rotterdam underpins the strong position of the Housing Department: the more you pay, the more you can say. And since the Housing Department is a big contributor (via subsidies for improvements and new housing development) it can dictate the process. It was precisely these position rules that ensured that the GWR in Overschie would accept their exclusion from any further decision making. The restructuring of Overschie, from 1986 onwards, took place (at the beginning in any event) entirely within the rules that had been developed over ten years of urban renewal in Rotterdam.

### **The 'profile' of the Rotterdam urban renewal program: product and identity rules**

The Rotterdam urban renewal program has its own very special 'profile', according to those involved. There is not only an emphasis on professional norms, mentioned above, but also a number of specific interaction rules and rules that regulate the actors' situations.

Various interaction rules are more or less formally laid down. This applies, for example, to the composition and working methods of the urban renewal project groups and to a number of



conflict settlement mechanisms. An important formal interaction rule is that, in the case of conflicts occurring in the project group or between the project group and the departments, the council committee will arbitrate. Incidentally, this interaction rule also reinforces the subsidiary role of the landlord. As a housing association staff member laconically expressed it:

*In the political culture of urban renewal at that time [the seventies and eighties], if a project group said something, we [=landlord] always did it, otherwise we would get into an argument, they would take it to the town hall in the Coolsingel and we would always lose the case.*

In addition, the parties involved derive their identity from a strong emphasis on pragmatism. It is not only about achieving good quality and affordable housing but also a kind of ‘shoulder to the wheel’ attitude. Within the Rotterdam social housing network there is great stress laid on the fact that at the end of the day decisions have to be made:

*Here in Rotterdam we've always been like this: have a bit of an argument and then roll up our sleeves and get down to work again.*

### **Conflicts and compromises in the Rotterdam urban renewal program**

Avoiding conflict is not an issue in the Rotterdam urban renewal program. There is a tendency, in fact, to face conflicts head on and fight them out to the bitter end. The various council department employees identify strongly with their project group and the neighborhood. This means that conflicts can arise between the project group and the Planning Department (DROS).

In the urban renewal program ‘every project is fought for hard and in every possible way’.

On the other hand, these conflicts are tempered by an attitude of ‘working things out together’.

This attitude of course ties in very well with the ‘roll up your sleeves’ rule mentioned above:

*In the Rotterdam tradition we've always argued in public, made choices and decisions based on solid arguments, and after that gone and had a pint together at the pub.*

Striving to reach consensus and working it out together depend in turn on the rules described regarding the quality of products and the identity of the Rotterdam urban renewal program. This means there are not only fixed standards for evaluating outcomes but there is also a certain mutual respect and recognition of each other's positions and contributions that underpin the interaction rule 'working it out together':

*There is a certain amount of recognition from parties towards each other. They recognize that the other is very knowledgeable, that they're carrying the risks, so they can obviously be trusted.*

If after a lengthy battle, however, a decision is finally forced in the project group, then everyone complies with that decision:

*Everyone tries to boost their own position and they make a lot of noise about it, but in the end no one quibbles about the final results. Everyone puts up with the fact that an acceptable compromise has been reached.*

### **Overschie and the urban renewal rules**

Right from the start it was acknowledged in the policy papers concerning the housing stock in Rotterdam that the approach in Overschie would be different for post-war than for pre-war housing. In addition, it was taken for granted that the existing network rules for the urban renewal program would be adopted, certainly to start with. Not only the positions of those involved in urban renewal but also the strict quality standards for renovation and procedures

were copied almost verbatim (Klijn, 1996).

Similarly, the Overschie policy plan that appeared in 1988 strongly resembled the older urban renewal program. A respondent described the Overschie plan as:

*A typical traditional urban renewal plan involving large-scale renovation and keeping rents as low as possible.*

Since the subsidy regulations for post-war dwellings were considerably less favorable than for pre-war housing, the GWR ended up with a huge deficit.

The central department of the GWR was now supervising the Overschie district, however, and they countered with a policy document in which they launched plans for increased demolition of dwellings. This led to severe criticism from the other parties involved: the residents' organizations and municipal departments. This was partly due to the fact that the GWR had not only broken the urban renewal rules regarding the (subsidiary) position of the landlord but also the rule stating that decisions made by the project group are sacred. This explicit breaking of the rules did not lead to any sanctions, however. The chairman of the housing executive board did not take sides on the policy plan issue but forced the municipal departments (the GWR was part of the municipality at the time) to work it out together. This resulted in a new plan in which more demolition was anticipated. This was the last time that the landlord allowed himself to be shoved aside. From this point on, the rules of the Rotterdam urban renewal program were no longer sacred. Very gradually new interaction rules were developed and old rules were interpreted in new ways (Klijn, 1996).

The decision making surrounding Overschie illustrates how a policy process initially develops entirely in accordance with conventional network rules. Only the fact that these rules were so strongly adhered to by those involved can explain why the GWR initially allowed itself to be

excluded from the decision-making process. It was only when those rules were explicitly and emphatically broken, a move which was not officially sanctioned, that the decision-making process was given a different twist. Only then did the GWR once more become a full-scale player in the game. The Overschie case displays two characteristic features of rules. First of all, they are taken for granted and very strong as long as they are not called into question. Secondly, rules can be changed.

## 5. NETWORK RULES IN THE HAGUE

The events surrounding the investment strategy in The Hague Southwest cannot be understood without knowledge of The Hague's social housing network. Just as the Rotterdam social housing and urban renewal network has a number of striking features, so does that in The Hague. In comparison to the network rules in Rotterdam, it is the position rules in The Hague that particularly stand out. These strongly emphasize the autonomy of the actors. The interaction rules, in which conflict is an important factor, fit in with this to a great extent.

### **Autonomy of actors: the position rules in The Hague network**

The position rules in The Hague social housing network in the late eighties and early nineties were dominated by a tradition of stressing organizational autonomy vis-à-vis other actors, and strongly emphasizing organizational interests and choices. It was not only the two important municipal offices, the Construction and Housing Department and the Environmental Planning and Economic Development Department (REO)<sup>7</sup>, that tried to delineate their own territory. The housing associations tried to do this, too, both vis-à-vis each other and in relation to the

municipality and other parties.

*They are interfering in things that we feel are our business and vice-versa. (municipal employee commenting on the positions of the Construction and Housing Department and the REO)*

*We own nearly all the dwellings; we also have the power to decide what will happen to them.*

Actors kept an eye on each other while trying to create a good image for themselves. This applied particularly to Hague political circles, which have a reputation as far as the image-building of the various executive board chairmen is concerned and the conflicts involved. The stress on organizational autonomy also led to an emphasis on an organization's veto power: the capacity to block decisions or the ability to sway the decision-making process.

*A proposal will never get to the municipal council without the REO and Construction and Housing Departments being involved. (a council employee)*

*The chairmen of the municipal executive board want a lot of attention in such a large district. We're talking about over 30,000 homes, that's a lot of voters. It...] was definitely an underlying factor and the main problem was that the departments absolutely refused to give an inch. (respondent talking about the situation at the start of the restructuring of Southwest in 1985)*

Emphasizing organizational autonomy and interests in this way quickly led to tensions and political and administrative wrangling. This applied both to the relations between the two

departments that were intensively involved in urban renewal and housing improvement at the time of the investment strategy – the Construction and Housing Department and the Environmental and Economic Development Department (REO) – as well as to the city and the housing associations.

*So we are in the middle of a rivalry between the Construction and Housing Department and the REO. The Construction and Housing Department is seen as Dijkhuizen's department [Chairman of the Housing Executive Board] and the REO as Noordanus' department [Chairman of the Environmental Planning and Urban Renewal Executive Board].* (council employee talking about the period of the investment strategy)

*Relations between the city and the housing associations are extremely tense.*

### **Product and identity rules: an identity crisis?**

Just as in Rotterdam, the actors in The Hague network shared a number of rules about the product they were providing and the rules that determined the identities of the actors. Generally speaking, there was a high degree of similarity in the rules displayed in both networks. In The Hague network, demolition had become a dirty word, almost taboo. It also evoked intense discussions. Efforts to limit demolition as far as possible strongly influenced the planning for The Hague Southwest in the period between 1984-1994.

*Large-scale demolition was absolutely out of the question, it almost amounted to sacrilege.* (respondent talking about the situation during the early years of the restructuring in Southwest)

Other important product rules were the emphasis on low rents, renovation and the provision of

social housing. These only began to shift slightly in the early nineties, mainly as a result of the identity rules of the associations.

The identity of the actors in the social housing network was closely linked with concern for lower income groups and management of the cheap housing stock. These identity rules in turn influenced what was considered the ideal desired product: a relatively good dwelling for a low price. Incidentally, these rules were most strongly represented in the housing associations, the residents' organizations and the Construction and Housing Department. In addition, they also had a highly regulating influence on many political parties.

In the nineties, the strong emphasis on low rents began to diminish in importance. Both for the housing associations and the municipal departments this rule was no longer 'sacred'. These changes were connected with the changes in financing for social housing, which led to different reward rules. To oversimplify somewhat: low rents and optimal use of the subsidy options were no longer the product standards for housing, but had now been replaced by future value, rentability and cost-effective commercial options. When the restructuring of Southwest began, most investment risks were still covered by the central government. During the eighties and early nineties the subsidies for social housing decreased and the financial risks of housing improvement and construction were shifted increasingly to the housing associations. It was the cost-effectiveness of the investments that took on an increasingly key role.

*We're always willing to fund a cost-effective investment, the question is: is it cost-effective?*

This also promoted the development of a new identity for the housing associations in which they no longer saw themselves as almost exclusively working for the lower income groups.

*I must say, at that time [early days of the restructuring of Southwest] we were strongly oriented*

*towards the tenants who were given plenty of opportunity to participate in the organization through general meetings and residents' associations... Now our thinking has really professionalized. In the beginning everyone was really proud of the fact that our tenants were primarily people who had no earned income – seven out of ten fall into that category. In the last few years we have come to see this as one of our weak points.*

(housing association employee)

### **Interaction rules: laborious interaction and changing rules**

Generally speaking, entry to the games in The Hague network was reserved for actors involved in social housing. It was more or less taken for granted that the actors involved in programs and projects concerning the existing housing stock would primarily be from the housing associations and the municipality. This entry rule was less strict here than in some other cities, for example Rotterdam.

Until the early nineties the housing associations had a very clear game rule for the equal division of new housing development and new locations.<sup>8</sup> This rule ensured that serious conflicts would be avoided and it was possible to present a reasonably united front to the municipality. Since the mid-nineties, however, this rule has been almost totally abandoned because it was unable to withstand the changing situation in social housing. Furthermore, it was not underpinned by any solidarity among the housing associations. As has already been shown, the housing associations were more concerned with their own autonomy than with cooperation.

*We have shoved away all the rules. There was this rule that everyone should build in their own area and more or less in the same style*

*At that time in the city the areas were still neatly sectioned off. The urban renewal areas*



*were allocated, and that was where the bulk of the new housing development took place.*

The interaction rules were characterized by strong non-intervention rules, which was not surprising in view of the arena rules with their emphasis on organizational autonomy and interests. Housing associations did not get involved with each other's property and had little need for coordinating their plans. In The Hague there is minimal provision of information; some respondents indicated that withholding information might even be typical of The Hague mentality. Actors thus knew little about each other (with the exception of the housing associations, which on the whole did inform each other of plans that might affect each other's properties).

*Withholding information is a bit of a municipal tradition in The Hague.*

*[At a housing association conference in Rotterdam] it was actually the first time that the plans had been laid out all together on the table. It has never been the custom, and it still isn't, to discuss them with each other. (housing association employee talking about the exchange of information between housing associations)*

An important interaction rule mentioned by a lot of respondents was The Hague politicians' tendency to postpone decisions. There existed in The Hague what a large number of respondents described as a 'compromise culture'. This is generally meant in a negative sense, i.e. that no clear decisions get made.

*The role politicians play is far too vague. Committee chairmen have done their homework on the whole, but really sticking their necks out about concrete decisions, saying now this is what we're going to do, this is totally absent in The Hague.*

*We've been disappointed so many times. The committee chairmen and city council are so ambivalent about taking the initiative, they say they're in favor in principle, but as soon as a demolition decree comes up in council they vote against it. So I haven't got a whole lot of faith in them.*

In a situation in which rules are typified by an emphasis on organizational autonomy and interests, and there is considerable political and administrative rivalry, forms of interaction will soon arise in which the key elements are the feasibility of projects and the avoidance of big conflicts. Many respondents emphasized the fact that feasibility and a realistic sense of possibilities were central issues in the planning.

*Everyone wants a feasible plan.*

*The feasibility of the plan was extremely important.*

In the early and mid-nineties, compelled partly by the changes in the non-profit housing sector, a number of interaction rules in The Hague network changed, especially those that emphasized proportional distribution. The rules of autonomy and organizational interests however remained. This explains the creation of stronger conflict patterns between housing associations. The potential conflicts, stemming from the emphasis on organizational autonomy, were previously kept in check by the rules of proportional distribution and the fact that the housing associations were very much involved with their own properties.

## **The Hague network rules and decision making about Southwest**

The Hague network rules had a great influence on decision making surrounding the restructuring of Southwest. First of all they were responsible to a large extent for the laborious interaction process in the run up to the expansion plan. The whole idea of the investment strategy assumed a fairly high degree of cooperation in which the actors concerned would surrender a part of their own autonomy. But this cooperation was obstructed, as we have shown above, by the existing arena and interaction rules operating in The Hague network. In view of these rules it is not surprising that proposals for an integrated organizational structure and for a joint fund for financing property costs in which autonomy would have to be sacrificed were soon scrapped. The 'normal' course of events in The Hague, in which each of the actors organized their own affairs, was also partly responsible for the fact that it took some time before actors actually interacted with each other about the main features of the plan. The decision making on the allocation of sites was also slow going. The existing principles of proportional distribution proved to be difficult to implement although the actors continued to cling to them. The expansion plan that appeared in December 1993 thus lacked solid support among the collaborating actors. Its development had been a highly laborious process and the various actors were not keen to commit themselves to it very strongly.<sup>9</sup> In short, the Integrated Implementation Plan lacked solid support from the actors.

The interaction patterns of conflict and the selection of strategies that would primarily further one's own organizational interests cropped up repeatedly and at the slightest provocation. The stimulus in this case was the first serious criticism of the Implementation Plan. Furthermore, in early 1994 it became clear to a number of important parties, i.e. several housing associations, that they were to be allocated relatively few new development sites. This led to the rapid dissolution of the compromise that had been reached with such difficulty. The most important obstacles to

the investment strategy as it was launched by the city, however, were located in The Hague network rules and the interaction patterns that followed from those rules. The emphasis on organizational autonomy and conflict hampered the achieving of joint plans and, more importantly, the surrendering of powers.

## 6. CONCLUSION: RULES AS CONTEXT FOR DECISION MAKING

Each network is characterized by a specific set of rules. For example, the position rules in the Rotterdam network are not the same as those in The Hague network. At the same time empirical evidence shows that rules influence the decision making within networks. They create elements that are taken for granted such as occurred in Overschie, or set up blockages to cooperation such as in the restructuring of The Hague Southwest. Rules thus form the context for the decision making within networks.

### **Rules as infrastructure for complex decision-making processes**

Rules thus form the social infrastructure of a network. They are not only an element that is ‘taken for granted’ in the interactions but, as the above analysis makes clear, also provide actors with a handle for the interactions. For example, in Rotterdam, when conflicts arose about the restructuring of post-war districts in the period 1985-1995, rules from the earlier urban renewal process were automatically fallen back on despite the fact that there was no formal framework for urban renewal in this case (Klijn, 1996). Rules that have once been devised are thus used by the actors in other situations. In this sense network rules are highly important as structural preconditions for policy interactions in networks. They delimit interaction options but function at the same time as a sort of ‘option fund’ for the actors.

The 'taken for granted' aspect of rules can also be interpreted theoretically. Not only do rules arise in socialization processes as was demonstrated earlier, but they are also retained because they are 'efficient'. (see e.g.: Ostrom, 1986; Burns/Flam, 1987; March/Olsen, 1989). Rules, and the routines they involve, survive because they form an alternative to time-consuming decision-making processes. They provide existing agreements and choices that can be taken for granted thereby saving the effort of having to assess each decision in minute detail. In this way, rules can be an efficient way to deal with the transaction costs problem (Williamson, 1979). This 'efficiency' aspect is also recognized by actors:

*We have tried as far as possible to work in the same way as in the urban renewal program, in other words with three parties, trying to force decisions as much as possible and striving for consensus.* (housing association employee talking about the later restructuring in Rotterdam)

Rules can also structure policy interactions to a great extent. The interactions surrounding the restructuring of The Hague Southwest illustrate this. In this network, game rules had arisen in which organizational autonomy was strongly emphasized. Together with a number of other important network rules, such as the emphasis on non-intervention and in the scant provision of information, a situation was created in which conflicts dominated. In this type of institutional context, each individual actor has a tendency to try to improve his own position first and foremost and to strive to maximize his own outcomes. Cooperation thus becomes very difficult unless all the actors collectively decide on it: the classic prisoners' dilemma (see Van der Doel, 1978). This is extremely unlikely, however, owing to the rules of the network. A vicious circle is thus created: the rules promote non-cooperative behavior and conflicts in interactions, and these interactions in turn reproduce the existing rules. The potential advantages of cooperation have

little chance. Such ‘institutional barriers’ are not easy to break down (for the problem of dominant patterns in ecologies of games see also: Axelrod, 1984).

### **Rules as precondition for success**

The fact that network rules affect interactions and influence the success of governance attempts is not so surprising if one considers that progress in decision making within networks is to a large extent a question of cooperation (Klijn, 1996a; Kickert/Klijn/Koppenjan, 1997). As a consequence of the dependencies among actors, meaningful outcomes can only be achieved if coordination of interactions takes place. As we have seen above, network rules can promote the opportunities for this coordination in various ways but can also hinder them. Of course, care must be taken when making generalizations about rules such as preconditions for success in policy processes based on the findings of the cases discussed here. The following list comprises a number of provisional conclusions based on the empirical evidence:

- strong rules to protect actors' autonomy hamper cooperation and interactions;
- clear and accepted conflict regulating mechanisms promote cooperation and interactions;
- cooperation is benefited by accepted product rules about quality and specifications of products and services that are relevant within the network. These furnish actors with more or less objective standards to use in negotiations on the content of policy processes<sup>10</sup>;
- strong non-intervention rules obstruct interactions, or if interactions do get underway they promote conflicts. They form an obstacle to cooperation. Furthermore, they involve the risk of causing a certain rigidity of perceptions.

Good rules for conflict management appear to provide a favorable climate for satisfactory

cooperation. Strong domain boundaries and an emphasis on organizational autonomy, on the other hand, obstruct cooperation. Accepted product rules promote cooperation because rapid agreement will be reached on the quality levels to be striven for. The downside is that this can create a certain rigidity in the decision making. This also applies to the existence of non-intervention rules. Either they ensure that few interactions take place or they increase the chances of conflict in interactions. Both are unfavorable conditions for cooperation as The Hague case demonstrates.

### **Changeability of rules**

Although rules appear to be an attractive concept in explaining the development and outcome of policy interactions in networks, reservations must be voiced regarding the manipulability of rules. As the case studies showed, rules are developed over time during interactions and it is rare for them to abruptly lose their validity. Changes in network rules come about very gradually. This is logical since rules generally change only when a substantial proportion of the actors no longer recognize them.

The cases prompt another observation. Rules are not suddenly scrapped but rather gradually acquire a different interpretation. For example, existing rules may be used for new situations but are not tailored to that situation. The changes thus achieved can later be 'taken for granted' or even codified, and may be enriched with other rules developed during the interaction. For example, the rule in Rotterdam which stated 'the more you pay, the more you can say' was maintained but led to a change in the positions of municipal departments and housing associations. On the other hand, new product rules were developed such as those on the desired division between categories of rented accommodation (see Klijn, 1996, 160-162; 190-192).

Rules do not change slowly only because the process has to undergo a reinterpretation. They also

change slowly because they are related to existing power relations. Changing the rules usually therefore means changing the balance of power. For example, the product rules from the Rotterdam urban renewal program, in which 'high level renovation' is the norm, are the result of a power situation from the seventies: a coalition of residents' organizations, municipal departments and (social democratic) politicians. A change in those product rules, towards less renovation, more demolition and new housing development, is directly linked to the shifting power relations in social housing. On the one hand rules are a source of power. They regulate which problems are acceptable and which are not, which actors gain entry and what their position is. At the same time, they are an expression of the balance of power from the past and change – usually after some delay – along with those shifting power relations. These processes usually tend to be accompanied by conflicts and obstacles. Public management has to take this into account.

## NOTES

1. This does not alter the fact that formal and informal rules often cannot be easily separated from each other, and that they influence each other. This can also be seen in the empirical analysis that follows. Not only are informal rules often somehow linked with formal rules, such as the standards used for renovation in the urban renewal program discussed later, but they are also influenced by what might be termed 'the shadow of formal rulemaking' (see the example of the council's arbitration in the Rotterdam urban renewal program discussed later).
2. Within the institutional perspective, Scott (1995) distinguishes a regulative, a normative and a cognitive perspective on institutions and rules. He also observes that, generally speaking, a shift can be perceived in which the latter perspective increases in meaning (Scott, 1995: XV). The perspective used here ties in best with Scott's cognitive perspective, although elements from the other perspectives can also be identified.
3. There is a rich source of information that can be used to determine the characteristics of rule-guided behavior, however most of this does not come from public administration. The most important are: van Gunsteren, 1976; Duinther, 1977; Giddens, 1984, Ostrom, 1986; Burns/Flam, 1987; Cohen, 1989; Scott, 1995.



4. The comparison of social rules with, e.g., chess rules is thus not entirely correct. Chess rules specify the meaning, and also the permissibility, of the moves, but these cannot be changed during the game. Rules in a network, on the other hand, can be changed, although these changes will take place gradually over the course of a sequence of games. This is why the concept of games as it is used here cannot automatically be equated with the concept of games such as chess or football.
5. There is a relationship between the distinction used here between arena rules and interaction rules and the distinction frequently used in the literature between constitutive rules and modifying rules (see, e.g., Duintjer, 1977: 45-48). I agree with Duintjer (47), however, when he argues that constitutive rules not only create new behavioral possibilities, they also restrict behavior. It is not the case, therefore, that this is the sole distinguishing element between the two types of rules.
6. And if empirical evidence is found one often observes a rather loose link between the theoretical framework and the empirical material (see Burns/Flam, 1987).
7. Incidentally, the two departments were merged in 1995. The 'power struggle' between them was certainly one of the reasons for the amalgamation.
8. The classic pacification rules can be discerned here: autonomy and proportion (Lijphart, 1992)
9. It is significant that in its end phase the part of the plan in which the new view in this field was developed was named after the architect who was commissioned to develop the plan by the actors involved. This suggests that it was the architect's plan and not that of the participating actors, who could thus protect themselves against criticism and remain free agents.
10. This finding displays some affinity with ideas from the negotiation literature (see, e.g., Ury/Fisher, 1981 with their emphasis on seeking objective criteria).

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