

## **The Regulating State**

Giandomenico Majone and Antonio la Spina

This document develops as follows: some alternatives to regulation receive a schematic examination; the Italian deregulation debate is presented; there is a discussion of what should be understood by the terms “regulating State” and “regulation”; there is a brief analysis of the U.S. experience, especially of the properties and techniques of regulating agencies and the distinction between economic and social regulation, and the relation between the latter and “social policy”; the European scene is looked at to highlight those aspects that make it different from the U.S. position and that explain certain forms resistance to regulation has taken, mentioning some significant historical precedents; the document mentions the expansion taking place in the regulating activities of the European Economic Community (EEC) and concludes with some observations on the institutional design of European regulating agencies.

## **Controlling the “group” of Barcelona Public Companies**

Xavier Mendoza and Carles Castells

To arrive at the most complete vision possible of the different problems related to the control of a municipality's public sector companies, we felt it would be useful to analyze the case of the municipality of Barcelona since it has the largest public company sector in Spain, both in terms of the number of companies (29) and the amount of financial resources handled. It will also thus be possible to understand and anticipate, from a “wide” perspective, the problems that arise in many smaller municipalities.

## **The Four Dimensions of Organized Action**

Erhard Friedberg

This article proposes leaving behind the false dichotomy between organization and collective action, between organization and organized

action. The author shows that the common features of intentionality and codification of rules and procedures do not allow for a valid differentiation of the formalized organizations of the least precise areas of action. With this as the basis, the aim is to consider the organization of fields of action in terms of four dimensions (the degree of formalization of regulation, the degree to which participants are aware of it, the degree of finalization of regulation and, lastly, the degree of explicit delegation of regulation), dimensions that comprise a sequence generating ever more formalized fields of action. The article concludes with an analysis of what this perspective means for the study of markets and economic facts.

### **The Economics of Transaction Costs**

Héctor Arámbula and David Gómez Álvarez

The last 20 years have witnessed the conceptual development of an alternative explanation for the study of organizations: the New Institutional Economy, resting on the foundation of transaction costs. In the field of analysis and criticism, transaction costs economics lead to interesting and controversial considerations and offers the unfulfilled promise of bringing together and complementing important theoretical research bodies to study organizations and the economics of industrial organization.

### **Democratization and Local Government in Latin America**

R. Andrew Nickson

The nineteen-eighties are known as the decade of democratization for Latin America. The clearest expression of this is the process of demilitarization. In the same decade there was an independent but related political trend: "municipalization", the gradual expansion of the role of local government in the global political system. The underlying driving force for the parallel processes of democratization and decentralization continue to be the (re)emergence of civil society, and its energy suggests we are before a movement of considerable historic importance.

### **The Decentralization of Health Services in Mexico: Towards Total Amnesia or the Resurrection of a Policy**

Myriam Cardozo Brum

About 10 years ago, the process was begun to decentralize federal public administration, including health services. Most Latin American countries began similar processes at around the same time. The Mexican case forecast the process would be nationwide by the end of 1986. However, starting in 1987, growing forgetfulness set in and there was only minimum progress in a few municipalities, but always with severe limitations in the delegated functions and the resources provided to carry them out.

### **Reorganizing the Danish Red Cross. Institutional Origins of Organizing**

Søren Christensen and Jan Molin

In this paper we try to understand the development of the Danish Red Cross (DRC) through time. We aim at understanding the origin and transformation of the organization. DRC is a good example of an "institutionalized organization whose success depends on the confidence and stability achieved by isomorphism with institutional rules" (Meyer & Rowan, 1991:5).

The theoretical frame of reference applied is institutionalism. We observe that the formal structure of the organization over time can be seen as isomorphic with institutional rules of a wider society at the "new institutionalism" tradition in sociology points to (Meyer & Rowan, 1997; Dimaggio & Powell, 1991) and that this creates a loose coupling and even decoupling between formal structure and tasks (Meyer & Rowan, 1991; Scott, 1991).

The 1992 reorganization was an attempt by the professionals of DRC to reconcile formal structure with task structure (Chandler, 1962). The outcome was totally different since a democratic structure was chosen. This suggests that task structure and formal structure are only loosely coupled and basically serve two different constituencies.