The embedded state. From government to governance: The case of Sweden

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Abstract

Sweden’s membership in the European Union (EU) has radically changed the conditions for Swedish politics and policy making. Just like other countries Sweden is becoming more of a rule follower in a European and global environment, where international actors, like the EU, to a large extent are controlling the political agenda. At the same time the EU is to an increasing extent – and more or less directly – reorganizing the Swedish state administration.

However, the Swedish government and responsible state agencies have tended to play down the importance of Sweden’s EU membership. They have maintained that old established ways of organizing and controlling the Swedish state can subsist. This argument is criticized in this paper. From a number of empirical studies it is argued that there is a great need for a vitalized discussion and new ways of thinking about how the Swedish state is affected by the EU membership, what freedom of action Swedish politicians’ have in the increasingly Europeanized and internationalized world, and how the embedded Swedish state should be organized and controlled.
1. Introduction
The shift from ‘government’ to ‘governance’ is one of the more noteworthy developments within contemporary social science. It marks a transition from hierarchical to more network based forms for decision-making, and a diffusion of boundaries between private and public actors. It also marks a shift in the way politicians govern both private and public sector activities.

An important force behind this shift – and one we will focus on in this paper – is the intensified exchange between states and a variety of different international organizations, and the dependence of states on both. These exchanges and dependencies have fundamentally changed the conditions for both politics and administration. However, our knowledge remains quite limited about the particular ways in which this has taken place. The aim of this paper is to contribute to this discussion. On the basis of several empirical studies of the Swedish state, we analyze how the shift from government to governance is manifested in an internationalization perspective. We focus especially on the Europeanization of states. By Europeanization we mean: a) exchanges that occur between the state administration, state administrations in other EU countries and different EU organizations, and b) the effects these exchanges have on the way the state is controlled, organized, and how it works.¹ We concentrate on the central state (rather than on regional and local levels) and on ‘low politics’ (rather than ‘high politics’). The latter means that we direct our attention to the everyday work of officials at middle and lower levels within the administration.

We address several questions. One is about states’ embeddedness in the EU – its depth and its scope. Some scholars maintain that the EU’s ambitions are limited and only include well-defined and obviously transboundary policy areas (such as the Common Market, the environment and organized crime), and that the bulk of state activities fall outside the Union’s interests. Others maintain that EU’s ambitions extend over nearly all policy areas and that EU activities, once established, tend to ‘spill over’ into other areas (Schmitter 1996; Maurer and Wessels 2001).

We will argue that all policy areas within the Swedish state are affected by the EU. Certainly, there are areas which – in terms of contacts, regulations, and organizational arrangements – are affected more than others. However, virtually no ministry or agency can be described as being totally unaffected by the EU.

A second question concerns the effects of this embeddedness. Some scholars have argued that the states are ‘withering away’ as their powers

¹ The concept of Europeanization can also be used in other ways (see Olsen 2002).
trickle out in different directions (Schmitter 1996; Sassen 1999). Others argue that even though increasingly transboundary decision making will make it more difficult to control and coordinate state activities, states will remain the most important actors in these processes. And the most important decisions will also henceforth be made on national level (Leonard 2005; Putnam 1988; Milward 1992; Moravscik 1993).

We argue that states are by no means ‘withering away’. However, increasing exchanges across national boarders, on different administrative levels, may cause fragmentation of the state. Such fragmentation expresses itself both vertically, between politicians and officials (Trondal and Veggeland 2003), and horizontally, between different administrative units on the same hierarchical level (Kohler-Koch 1996; Mörth 1999; Kjær 2004 chapter 3; Jacobsson et al. 2004). This tendency toward fragmentation is partly due to a number of practical obstacles, such as heavy work loads, short time limits, and difficulties in supervising all ongoing activities and processes within the EU. The EU is also poly-centric; it can be difficult to point out a clear and authoritative centre that can supervise, control, and decide what to discuss, when and how. When looking at EU from the outside it appears that almost anything, at anytime, and anywhere, can be put on the political agenda by almost anyone (Mény et al. 1996 pp. 13; Christiansen and Kirchner 2000 p. 3). Further, great importance is ascribed to expertise in the EU. This is not least true for substantial expertise (Radaelli 1999), but the EU is also good breeding ground for experts on negotiations and coordination. A third kind of expert fostered in the EU is what Lequesne och Rivaud (2003) have called ‘wise men’. Their legitimacy is based on the ability to interpret the political properties of the EU and establish fundamental values, norms, and rules.2 The strong belief in expertise can create problems for national politicians who want to control national officials attending EU meetings, because intervention by politicians is regarded as interference, and therefore illegitimate. Finally, fragmentation can follow in a situation where those parts of the state that are deeply embedded in the EU spend a lot of time and energy discussing problems and solutions with different actors (both Swedish and foreign, and both private and public) within their own policy field. The problem is that they can develop deep relations and loyalties with the actors within their own sector while failing to relate and coordinate their ideas and activities with other state actors within other policy fields. Thus, this is an idea about

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2 One example that Lequesne and Rivaud (2003) mention was the two ‘Commissions of Independent Experts’, which were set up to scrutinize the commissionaires of the EU in 1999.
transnational, tightly connected, and sector-oriented networks (Kohler-Koch 1996; Vifell 2006; Slaughter 2005). Overall, there are numerous forces pulling the state in different directions and challenging the idea of the state as a coherent and well-coordinated actor.

States’ increased embeddedness in the EU (and in the wider world) also tends to transform them from rule makers into rule followers (Brunsson and Jacobsson 2000; Levi-Faur 2005; Jacobsson and Sahlin-Andersson 2006; Djelic and Sahlin-Andersson 2006). States are today surrounded by a vast amount of rules, on both European and global level. These rules are often ‘soft’, rather than legally binding statutes (also referred to as ‘hard law’). They come in the form of advice, standards, recommendations, plans, programs etc. (Mörth 2004). These kinds of rules are to a large extent built on voluntariness and lack formal sanctions, and typically they leave a great deal of room for state actors to decide how to implement them. A current and widely discussed example is the so called 'Open Method of Coordination'.

The fact that ‘soft rules’ are built on voluntariness does not, however, mean that in practice, they can be ignored or given mere lip service. They have to be dealt with, in one way or another. One reason is that such rules often have strong advocates (Slaughter 2005). They are created by big and important international organizations (both public and private) that not only trot them out but also try to make sure – through evaluations, benchmarking, ranking lists, conferences and discussions – that the rules are understood and used.

Nevertheless, even in this world of transnational rules and organizations, states remain important. International rule makers, such as EU, need states. States have resources that most international organizations are in short supply of; for example democratic legitimacy, but also expertise and money (Larsson 2003; Burnham and Maor 1995). There is a big demand for ‘national standpoints’ within international organizations, not least the EU. For example, never before have we so systematically, so often, and on so many different kinds of issues, asked ourselves what we want as ‘Swedes’. In this way, the EU recreates states. As a result, states are not only to be regarded as rule followers but also, to a certain degree, as participants in the creation of these rules. At the same time, ‘national standpoints’ that states bring forward on different EU-arenas are to a large extent created in the rule making processes (Slaughter 2005; Risse-Kappen 1995). States are becoming intertwined in a way that makes it increasingly difficult to discuss the EU and the national state as two distinct political and administrative levels (Mény et al. 1996).
A third question that we will address in this paper concerns the legitimacy of the governance oriented state. How do national politicians handle a situation where policies and rules are created in transnational networks at a considerable distance from themselves? How do they seek to cope with the forces of fragmentation and the fact that the state to a large extent is affected by rules that are elusive and that they have had comparatively little opportunity to influence? What do they do when the gap widens between things they can control and things for which they are accountable?

We will show that politicians and officials in charge of Swedish public management policy (PMP) have played down the importance of EU. Due to the widespread EU-skepticism among the Swedish people it hasn’t been legitimate for politicians to argue that the state has to be re-organized and re-regulated as a result of Sweden’s EU-membership. Instead, legitimacy has been searched for in history. It has been important for governing Swedish politicians to support the notion that old Swedish institutions can be maintained despite the EU-membership. As a result there haven’t been any creative discussions regarding different ways to organize and regulate the state in the increasingly transnational world.

These are our main questions. We will discuss them on the basis of several different kinds of empirical studies. We have conducted some case studies ourselves, while others were carried out by other researchers and students, or by public agencies. Some are broader studies intended to map out exchanges and dependencies, for example, written questionnaires and interview studies.

An important material is a questionnaire done by ourselves in 2003. It is a follow-up of a questionnaire that we carried out in 1998 (see Jacobsson and Sundström 1999; Jacobsson et al. 2004). The questionnaire is part of a

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3 We would like to emphasize, that we are not trying to measure in a systematic way the extent to which the state, due to the EU-membership, has become more embedded, more fragmented, more rule following etc. It is not such a before/after-study. Even though we will discuss the degree of embeddedness, fragmentation, and rule following we are primarily interested in the mechanisms of the embeddedness, that is what is happening with the state when it becomes embedded in EU and the wider world.

4 The questionnaire was sent to all units of a certain size in the ministries and the agencies. All together we sent out 451 questionnaires of which 364 (81 percent) were sent back. The units to which the questionnaire was sent were those which were state run, directly accountable to the government, operated throughout the country as a whole, and were permanently staffed by state officials. The questionnaire was directed to units and not to individuals. One person has responded on behalf of the unit, and these respondents have either been the heads of the units, EU-coordinators, or some other member of the staff of the unit with extensive knowledge of its EU-related work.
Nordic project, and the same questionnaire has been sent out in Denmark, Norway, Finland, and Iceland. In this paper we concentrate on the Swedish material, even though we make some comparisons with the other Nordic countries. Further, we do not make any extensive comparisons over time, due to the fact that the Swedish materials from 1998 and 2003 are very similar.

The paper consists of seven sections. In section two we discuss the concept of governance. Sections three, four and five are empirical, dealing with the questions of embeddedness, fragmentation, and rule following. Section six is also empirical, and deals with the question of how politicians and officials in charge of Swedish PMP have interpreted and tried to cope with the changed conditions arising from Sweden’s EU-membership. In section seven we analyze our empirical observations from a legitimacy perspective. Section eight contains some concluding remarks.

We will end this introductory section by giving a short description of how the Swedish central state is organized. In contrast to most other countries in the Western world the Swedish central state is not organized into a number of large ministries. Instead it has a distinct ‘dualistic’ character. Ministries in Sweden are small and organized together in a formal organisation headed by the Prime Minister – the Government Office (Regeringskansliet). The bulk of central government activities, which are typically performed within ministries in other countries, are in Sweden undertaken in a large number of semi-autonomous state agencies. These agencies are depicted as ‘semi-autonomous’ not only because they are organisationally separated from the ministries but also because the power of the ministers and the government to issue orders for the agencies is constitutionally circumscribed. This restriction has two components: First, decisions should, as a main rule, be taken by collective vote in the full Cabinet (at least five ministers need to be present). This means that an individual minister is prohibited to issue orders for agencies under his or her purview. Secondly, in cases where an agency in the capacity of a public authority, and on the basis of public law, decides on either rights or obligations for an individual citizen the agency is to be guided only by the law. In such cases no one, not even the Cabinet as a collective or the parliament, can decide how the agency should decide.

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5 At present there are nine ministries containing all together about 4 600 officials, of whom around 120 are political appointees. Over 1 500 officials are working in the Ministry of Foreign Affairs and about 60 in the Prime Minister’s Office.
6 According to the agency Statskontoret there were 547 agencies in December 2005 (Statskontoret 2005).
2. From government to governance

The shift from ‘government’ to ‘governance’ has been a leitmotif in contemporary research about the state for quite some time now (Rhodes 1996; Pierre and Peters 2000; Kjær 2004; Beck Jørgensen and Vrangbæk 2004). This shift has been reported to have occurred in many countries in the Western world, and is said to be caused by a variety of social forces, such as increased complexity in social problems, a growing and more specialized public administration, increased demand for expertise, internationalization, decentralization, and a rapid development of information and communication technologies (Pollitt 2003; Jessop 2002).

These changed conditions have forced governments and parliaments at the national level to delegate activities ‘downwards’ to local governments, ‘outwards’ to private organizations, ‘inwards’ to semi-autonomous state agencies, and finally, but not least, ‘upwards’ to the EU and other international organizations. The result is a ‘hollowing out’ of the state (Rhodes 1994, 1997).

In this new political landscape, policy making processes are to an increasing extent seen as a process of co-operation. Actors of many different kinds (public, private, and voluntary – political, social, and administrative) form so-called policy networks. Policies are seen as the result of actions and exchanges that take place within these networks, rather than as authoritative and hierarchical processes within the state. Rich and informal exchanges are emphasized, which tend to blur traditional boarders between politics and administration, between different administrative units, and between public and private actors (Scharpf 1994 p. 37). At the same time, ‘soft rules’ are favored over traditional ‘hard rules’ (Mörth 2004). This is not only because the formal authority for making ‘hard rules’ may be lacking, but also because the collaborative character of the processes means that the character of the rules through which policies are expressed changes.

The glue that keeps policy networks together is resource dependency. A central idea within most of the governance literature is that different kinds of actors have different kinds of resources and that no one has enough resources to be able to solve on their own the problem that a set of network actors have gathered around. This creates mutual dependency relations and common interests. Voluntariness, equality, and trust are emphasized, in comparison with coercion and authority which is associated with

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7 Snyder (1993) defines ‘soft law’ as "rules of conduct which, in principle, have no legally binding force but which nevertheless may have practical effects."

A central question in the governance literature concerns “the governance of governance” – that is, how politicians govern in an increasingly complex and poly-centric world (Jessop 2002 p. 5). It has been suggested that their ability to control the state, and the wider society, from ‘the centre’ has been undermined. According to Rhodes, policy networks are to a large extent “self organizing” and characterized by their ability to “resist government steering, develop their own policies and mould their environment” (Rhodes 1996 p. 659).

However, this ‘governing without government’ thesis has been questioned by other governance scholars (see e.g. Taylor 1997; Pierre and Peters 2000; Davies 2002; Sørensen 2004). They maintain that policy networks can be laborious to build, that states often play a crucial role in their construction, and that they therefore can impose their preferences on these networks (Taylor 1997 p. 442). However, these scholars also downplay the importance of more traditional and narrow ‘command-and-control’ techniques. Instead they speak of ‘meta-governance’ and ’meta-governors’ (Jessop 2002). Here, governing is exercised through more indirect techniques. The most important one is perhaps reflexive design and/or redesign of policy networks. This can involve the construction of network actors (e.g. state agencies) and ‘arenas’ where network actors can meet. But it can also involve the reconstruction of relations between different network actors and creation of incentives with the aim to increase the number of, or character of, private actors participating in a specific network. It can also be about influencing the notion among network actors of what problems look like and where to look for solutions (Sørensen 2004 pp. 3). Thus, governance does not imply an end of state intervention, but rather, a change of its forms (Kooiman 1993).

*From governance to governance?*

Of course, one can wonder how new these governing techniques are. Haven’t governments always been using indirect control methods, and have the boundaries between the public and the private spheres ever been that distinct? When Jacobsson studied six different policy fields in the late 70s and early 80s, he found that the Swedish government ‘governed by organizing’ to quite a large extent (Jacobsson 1984, 1989). The daily work was handled by agencies that worked at a considerable distance from the politicians. Moreover, politicians were not trying to control the agencies on daily basis or at any level of detail. On the contrary, the agencies were
deliberately left with extensive discretionary authority. Occasionally, however, events occurred that forced government ministers to take action. On these occasions, control techniques that were described as important in official documents and textbooks in political science – such as formal rules, management by objectives, appropriation directions etc. – were not important. Instead ministers typically set up new administrative units, initiated ad hoc commissions where private and public actors could meet, spent more money on a problem than was originally requested by responsible agencies, and appointed new director generals. Also, in order to stress the importance of specific issues, they arranged and participated in conferences and seminars. Media was important as well. It was used to make various kinds of announcements, for example, to declare that the government had prioritized a specific problem.

In these processes ministers typically reacted to other actors’ demands for action. These demands came from a variety of actors, but were to a large extent national in nature. They came from Swedish companies, Swedish municipalities, Swedish voluntary organizations, Swedish media, Swedish opposition parties, and Swedish state agencies. At the same time, these demands originated from a context that the government to a considerable degree had created itself.\(^8\) This reduced the risk that the demands would collide head-on with more fundamental opinions and values held by the government. This in turn made it relatively easy for the government to react.

But it was necessary to react. It would have been considered illegitimate if the government had not taken over ‘hot’ issues that previously had been delegated to agencies or ‘networks’. At the same time, the government needed to push the issues back down as soon as possible. Otherwise it would soon have become overloaded. Thus, it was important for the government to be able to both ‘elevate’ issues when needed and to ‘push them down’ when needed.

Jacobsson’s study revealed that when trying to control the administration, ministers typically did not ask what goals to attain, but rather what properties needed to be built into the administration to secure its ability to orient and adapt to changed conditions in the surrounding environment. This was accomplished, as mentioned above, by re-organizing and re-regulating activities and actors.

Jacobsson’s findings of how the Swedish state administration was controlled in the late 70s and early 80s undoubtedly bear traces of the ‘meta-

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\(^8\) In the Swedish case maybe to an unusually high degree, due to the fact that the Social democrats, with the exception of only nine years (1976-1982 and 1991-1994), have been in power since 1932.
governance’ described in contemporary governance literature. Thus, we would like to place a (quite large) question mark alongside the statement that there has been a clear-cut shift from government to governance during the 80s and the 90s.

We do not suggest of course, that everything is the way it used to be. Important changes have clearly occurred that make it more difficult for politicians to act as ‘meta-governors’. For one thing, public management policy (PMP) has become a much more distinct policy area (Barzelay 2000, 2003). It has been consolidated through a variety of institutional arrangements not only on national level (through PMP departments, PMP agencies, PMP programs, PMP commissions, PMP ministers etc.), but also at the international level. Today, there is a multitude of international actors (public and private) who make a living on developing, refining, and spreading (general) ideas about how to run governments (Slaughter 2005; Pal 2006; Radin 2006; Sahlin-Andersson 2001; Jacobsson et al. 2006).

Many of these ideas are included in what has been labeled ‘New Public Management’ (NPM). NPM includes quite disparate ideas and practices (Boston 1996; Lane 2000), but what characterizes most of them is that they are highly institutionalized. For example, NPM tells us that politicians should focus on formulating general goals and let public officials decide how to achieve them.\footnote{This is a central idea in the control strategy which today is called management by results (see Sundström 2006).} Decisions about how to organize agencies and departments, where to locate them, who to recruit, which competences to strengthen, who to collaborate and co-ordinate with and so on, are seen as a-political – as administration. Nor is it considered appropriate for a ‘modern’ politician to ‘meddle’ in administration. This is, of course, a problem for politicians who want to control the administration by re-organizing and re-regulating activities and actors.

Politicians’ ability to act as meta-governors has also been reduced, perhaps first and foremost, by increasing internationalization. As discussed above, EU-politics and national politics have become deeply intertwined. National politicians have to react to issues formed in policy processes that are much more complex than those studied by Jacobsson 25 years ago. There are not only more actors involved, but also more different kinds of actors. One consequence is that there are more uncertainties involved, not least due to EU’s poly-centric character. There are greater physical distances between politicians and officials handling EU-matters, there are tighter time limits, and a greater diversity of values is being emphasized at the same time at
multiple levels and within different policy areas. Most importantly, Swedish politicians today must react to issues that originate from a system of actors, rules and procedures that they have not themselves formulated. This means that there is a much greater risk that issues which end up in the policy process will be at odds with fundamental ideas and values held by the Swedish government and the Swedish people.

An organizational perspective
Governance has been criticized as an empty concept (Dowding 1995). Others have claimed that it is ‘multi-theoretical’ (Blom-Hansen 1997; Kjær 2004; Sørensen & Torfing 2006). That means that, in itself, governance serves only as an analytical concept; it must be combined with specific theories of explanation if the analysis is to move beyond description. We concur in such a ‘multi-theoretical’ understanding of governance. But unlike many other scholars using a governance perspective we take our stand not in ‘economic man’ and negotiation theories, but in ‘sociological man’ and organizational theories.

Our point of departure is that actors (and especially public ones) typically act with a high degree of uncertainty. The environment surrounding them is highly complex and constantly changing (socially, culturally, ideologically, technologically, and economically). This means that they often do not have specified ideas about what they want, what problems look like, what solutions are available, what effects different measures might have, and so on. Instead interests, notions of problems, and ideas about solutions are created gradually as processes evolve (Cohen et al. 1972).

In these processes action can be viewed as role and identity driven (March & Olsen 1989; Powell & DiMaggio 1991). Action is always circumscribed by a number of (more or less) institutionalized ideas and behaviors, which (to a certain degree) determine what actors can, and can not, do. This means that governance processes are not only a matter of ‘game playing’, where actors negotiate with each other on the basis of strategic calculations. It is also about ‘rule following’, where actors behave in line with what they regard as appropriate action.

These institutionalized ‘rules’ can be anchored in space, that is, in the environment that surrounds organizations. This is the kind of ‘rules’ that Meyer and Rowan (1977) referred to as ‘rationalized myths’ and which some scholars have suggested should be viewed as ‘fashions’ (Røvik 1996; Boli & Thomas 1999). Here, contemporary research points at a number of institutionalized ideas and behaviors that can be of interest when studying the presupposed shift from government to governance. These include, for

Institutionalized ‘rules’ can also be anchored in time. Early on, March and Simon (1958) noted that over time, organizations will develop quite strong ideas and beliefs about how one is to act in different situations. From repeated action that has been proven successful, or at least feasible, actors tend to develop routines and standard operating procedures, which they find comfortable to follow and which facilitates more standardized ways of working. March and Simon referred to this as ‘bounded rationality’. This is an idea about ‘path dependency’, and it emphasizes that attempts to change behavior quickly requires doing battle with the inertia inherent in ‘local’ ideas, structures and working methods.

These kinds of locally institutionalized ideas and practices can be found on different levels: on an organizational level, on the sector level, and on the national level. Regarding the latter, there are a number of historically well-anchored institutions in Sweden which can cause this kind of inertia, e.g. the autonomous agencies (the ‘dualism’), the principle of public access to official documents (offentlighetsprincipen), Swedish corporatism, and management by results (Andersson 2006; Sundström 2006).

It is not always easy for organizations to comply with all of these kinds of ‘rules’, anchored in space and time, not least because they are frequently contradictory. Parts of organizational theory suggest that some of these tensions might be handled through ‘de-coupling’, where organizations in practice act in one way and represent their practice in another way (Meyer & Rowan 1977) – thus, a kind of hypocrisy (Brunsson 1989).

3. An embedded state
States often are perceived as autonomous. They are seen as well-defined, not only in relation to other states, but also in relation to other national actors. States are also, according to this idea, actors who know who they are. They are assumed to have fixed interests and preferences. International organizations like the EU, are seen as arenas where states meet and battle with one another, each seeking to get its way. To be successful in these battles states need to define their interests, clarify them and present them with stringency and consistency.
Our research questions the idea of states as autonomous actors. An important expression of the transformation from government to governance – in a Europeanization/ internationalization perspective – is that states have become embedded in a European and a wider international context. This is clearly demonstrated in the Swedish case. For example, 90 percent of the units responding to our questionnaire perceive themselves to be affected by at least one of the EU’s Three Pillars – or by work related to standardization.\textsuperscript{10} Half of the affected units\textsuperscript{11} also report that the consequences of EU membership have been significant, while only one third claim that they have been minor. Four out of ten units claim that they spend a large proportion of their time on EU-related work. Moreover, during the last five years, some 40 percent have been forced to recruit staff in order cope with their EU-oriented work.

The questionnaire also reveals that the EU-related work is highly decentralized. Transnational contacts are by no means reserved for the Ministry of Foreign Affairs. Instead, they exist within virtually all policy areas and at all administrative levels. Eight out of ten units maintain that they have direct contacts with different EU-organizations at least once a year, and more than half of them claim to have such contacts at least once a month. Eight out of ten units also say that they participate in EU groups/committees at least once a year. Further, 55 percent maintain that they have had people stationed in different EU organizations during the past five years. And two out of three units report that they have more than ten travel days abroad each year due to EU-related matters.

Thus, separate units within both ministries and agencies participate quite frequently in transnational, EU-related networks. These networks are also multilateral. In addition to the various EU actors, they include other Swedish governmental units, Swedish politicians, Swedish private companies, and Swedish interest groups. We found that more than 50 percent of the units have EU-related contacts with other government units at least once a month. Corresponding figures for private companies and interest groups are around 30 percent and for politicians in the core executive, 40 percent. Here, we can also see a distinct pattern: the more embedded in the EU (in terms of contacts with different EU-organizations, time spent on EU-issues, traveling days etc.), the more contacts with Swedish actors, both in terms of frequency and kinds of actors.

\textsuperscript{10} As many as 86 percent of the units claim to be affected by activities within the First Pillar, while the figure stops at 50 percent regarding the Second and Third Pillar.

\textsuperscript{11} Onwards when we speak of ‘the units’ we refer to the 90 percent that claim to be affected by the EU.
The Swedish state’s embeddedness in the EU is also apparent in the fact that contacts in EU-matters often are informal. As shown in Table 1, only 16 percent of the units in our survey point to “formal written contacts” as the most common contact form with the European Commission/ Directorates General. Regarding preparatory or expert committees of the Commission, the figure is as low as 7 percent. As expected, “formal meetings” are more common in these relations, but it is obvious that informal contacts are of great importance in the relations of Swedish government units with EU organizations.

<table>
<thead>
<tr>
<th>Table 1: If you consider EU-matters dealt with during the last year, which was the most common contact form between the unit and the actors mentioned below? (percent of cases)</th>
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<tbody>
<tr>
<td>EU commission/ Directorate General (n=305)</td>
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<tr>
<td>EU commission/ Directorate General (n=305)</td>
</tr>
<tr>
<td>Preparatory or expert committees of the EU commission (n=315)</td>
</tr>
<tr>
<td>European Council or Coreper with subsidiary working groups or committees (n=311)</td>
</tr>
<tr>
<td>The government/ politicians within the ministries (n=315)</td>
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<tr>
<td>Swedish government units (n=310)</td>
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<tr>
<td>Swedish interest groups or private companies (n=314)</td>
</tr>
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As illustrated in the table, the informality is even more salient in the units’ relations with different Swedish actors. Especially interesting are the figures for “the government/politicians within the ministries”. The high degree of informality in this relation applies for units within both ministries and agencies. Apparently, the long Swedish tradition of semi-autonomous agencies, and the formal control system which prescribes that instructions in EU-matters should be in writing (see Section 6), does not prevent informal
exchanges between politicians and officials – at least not in EU matters. Interestingly enough, the other Nordic countries show much lower figures for informal contacts in these relations – and this is in spite of them having a system of ministerial rule.

Frequent contacts between Swedish politicians and government units can be interpreted as the politicians trying to keep a close eye on government officials. However, our survey shows that 25 percent of the units do not get any ‘steering signals’ from their political superiors when participating in different EU committees or working groups. When such signals are given, they are typically general and verbal. These observations have been reported in other studies as well (see e.g. Larue 2005; Statskontoret 1996, 1997).

However, the lack of detailed instructions doesn’t seem to bother Swedish officials. Seven out of ten units in our survey maintain that it is easy to tell what their political superiors want in different EU-issues. Only three percent say that conflicts frequently arise between officials and politicians in EU matters. And only thirteen percent report that it is difficult to get the politicians to accept proposals from the unit. At the same time – and seemingly contradictory – as many as 40 percent of the units agree with the statement that short time limits make it difficult to discuss EU matters with the politicians.

We suggest that this observation – where the officials on the one hand claim that their relations with the politicians are extensive and on the whole are working fine, and on the other claim that they need clearer instructions and more time to discuss EU issues with the politicians – should be seen as an expression of Swedish officials’ eagerness to anchor their behavior at the political level. The frequent contacts between the two groups are not about politicians taking initiatives and trying to exercise detailed control over officials. Rather, it is about officials trying to keep politicians informed, to have their ‘blessings’, or to get them to clarify their wishes and opinions on various matters. This is also noted in several case studies: for example, within employment policy (Etzler 2004), medical products policy (Nilsson 2000), and competition policy (Sundström 2000). It seems that officials’ demand for steering signals exceeds politicians’ supply of such signals.

In summary, the Swedish state is clearly transnational. Government units within all policy areas, and at all levels, are affected by the EU. They spend a considerable proportion of their working hours handling EU matters. They participate in different ‘arenas’ within the EU and they have a lot of contacts – often informal – with different actors when handling EU-issues. It is obvious that European networks have become an important part of Swedish government officials’ everyday work.
Further, in these networks, Swedish interests – or ‘points of view’ – are constantly sought out. However, national officials attending meetings in different EU organizations often do not have that well defined ‘points of view’. Instead, ideas about what is desirable and what is possible are created in the networks as processes evolve. It is in the exchanges with other European actors that we learn as Swedes who we are, what we want, and what is possible to do. In short, the Swedish state is becoming more embedded (and less autonomous).

4. A fragmented state
In addition to being viewed as autonomous, states are often perceived as coherent. They are believed to be able to ‘speak with one voice’ when interacting with other actors – not least other states. Included in this picture is the idea that governments, through the use of comprehensive rationalistic steering models, can supervise and control the state in such a way that officials within different areas and on different administrative levels act jointly and in a coordinated manner.

This study shows that the coherence of the state is seriously challenged as it becomes more embedded in the EU. This brings us to a second expression for the displacement from government to governance: states are becoming more fragmented. This fragmentation is manifested in a number of different ways in our material. For one thing, even though units that are deeply embedded in the EU have a lot of contacts with many different kinds of actors, the networks are quite narrow. Our questionnaire shows (as do other studies) that Sweden’s EU membership has led to increased exchanges between different actors within the same policy field, while contacts between government units within different policy fields are more rare (see e.g. Vifell 2006; Kommerskollegium 2005; Sundström 2000). For example, Kommerskollegium (National Board of Trade) found after interviewing Swedish officials within 25 agencies about their EU related work, that…

…few are satisfied with the coordination of broader EU issues, which involves several ministries or agencies. In these situations insufficient coordination, lack of understanding, and poor communication can result in issues falling between the chairs. (…) The Europeanization has strengthened the boundaries between different sectors. Within each sector, exchanges and cooperation with actors in other countries – and in the private sector – are deepened (Kommerskollegium 2005 p. 9, 16).

Important decisions are taken, therefore, within networks where many kinds of actors participate – Swedish and foreign, public and private. But the
networks are narrow, and it seems insufficient to call them ‘sectoral’ networks. *Kommerskollegium* continues its study by stating that separate units and experts sometimes live a life of their own *inside* ministries and agencies, and that superior officials may not see – let alone approve – the Swedish proposals brought to EU-meetings by officials at lower levels (ibid. p. 14.).

Åsa Vifell (2006) also found, when studying the internationalization of three different policy fields, that the fragmentation of the state is not about whole sectors drifting apart. She suggests that rather than ‘sectoral networks’, we should be speaking about ‘enclaves’. These are constellations which include different kinds of actors, sometimes from different sectors, and which are defined by the point at issue. What characterizes ‘enclaves’ is that people who participate in them are working very closely together over longer periods of time, in ways that result in mutual learning, common understanding, and trust and respect for each other’s competence. At the same time, they are dissociated from their ‘home organizations’. International organizations, like the EU and the UN, often act ‘hosts’ for these ‘enclaves’ (Slaughter 2005; Boström 2006). They provide an organizational setting and resources that facilitate long-term cooperation and communication between people within the ‘enclaves’. What also characterizes ‘enclaves’ is the presence of a common language among participants; it is important to know which words to use, who to talk to, which meetings to attend, what has been said and tried before, etc. It is difficult for an outsider who doesn’t know the history of the field to take part in discussions (Thedvall 2006). This also means that the use of the term ‘network’ can be quite misleading. It suggests self-organizing constellations that are easy to step in and out of. But this is not the case; they are highly controlled by state actors and not at all easy to enter. Further, as just mentioned, to have success in ‘enclaves’ requires a high administrative/historical competence rather than substantial expertise, which makes the concept ‘epistemic communities’ unsuitable (Vifell 2006).

In these ‘enclaves’, ministries and agencies work very closely together. Vifell found that officials within ministries and agencies working with the same international issues could develop very strong feelings of community. Similar observations can be found in case studies covering such different policy areas as statistics (Mannfelt 2000), customs (Heinegård 2000), employment (Etzler 2004), environment (Savelli 2000), competition (Sundström 2000), and medical products (Nilsson 2000).

But to what extent are politicians involved in the ‘enclaves’? Here, the empirical studies point in different directions. On the one hand, as was noted
in the previous section, officials within both ministries and agencies seem to have quite good knowledge of what their political superiors want. We saw that four out of ten units in our survey claim to have direct contact with “the government/politicians within the ministries” at least once a month in EU related issues. This figure is much higher than in the other Nordic countries. One the other hand, politicians’ opportunities to influence decision making processes within the EU seem to be circumscribed by the high level of confidence in expertise. For example, Kommerskollegium claims that certain agencies have gained extreme independence vis-à-vis politicians. These agencies are formulating their EU instructions themselves and if politicians try to change these instructions, the agencies get annoyed. According to the agencies “the individual expert” ought to be given considerable freedom of action (Kommerskollegium 2005 p. 14).

Similarly, Nilsson found in her study of medical products that the responsible agency had gained a stronger position vis-à-vis the ministry and the politicians after Sweden’s EU-membership. Expertise was an important factor behind this change. In her words:

The Medical Products Agency [Läkemedelsverket] maintains that the government neither can, nor ought to control the agency, because the majority of the issues handled through European cooperation are seen as purely scientific. (...) Officials within both ministries and agencies take the view that there are virtually no political issues involved and that the politicians don’t have any expressed desire to act or control the agency. On the eve of the Swedish EU membership, the Ministry of Health and Social Affairs did not formulate the goals for the Medical Product Agency. That was done by the agency (Nilsson 2000 pp. 45).

Mannfeldt also emphasizes the importance of expertise in her study of statistics. For example, Statistics Sweden [Statistiska centralbyrån (SCB)], was opposed to politicians appointing people to the comitology, even though it is clearly stated in the formal regulations that Swedish officials participating in these committees represent the Swedish government. According to Mannfeldt, the importance of expertise was given as the explanation:

The reason seems to be that SCB gains more respect in the SPC [the most important EU-committee within the area of statistics] if there are no people from the ministries involved. The committee only includes officials from national public agencies. SCB

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12 Denmark and Finland = 27 percent, Norway = 21 percent, and Island = 20 percent. Also, Edward Page (2006) has concluded that the distance between politicians and officials are shorter in Sweden than in England.
maintains that statistical issues, for both principal and practical reasons, should be
decided by experts. The confidence in statistics would decrease if methodological
issues were handled at the political level, and these issues are also believed to be of
such complex nature that it is inappropriate to negotiate them at that level. (…) SCB
cannot, the officials maintain, act in line with political desires if the statistics are to be
objective and independent (Mannfeldt 2000 pp. 44).

Sundström (2000) made very similar observations in his study of
competition policy. Politicians did not control officials from the Swedish
Competition Authority [Konkurrensverket] participating in the comitology.
The main reason was that the credibility of the agency was increased if the
politicians were kept at a distance – and increased credibility also meant
increased possibilities to influence issues handled by the EU’s competition
committees.

Thus, our study partly supports the thesis that the EU membership
contributes to a vertical fragmentation of the state, where the gap between
politicians within the core executive and subordinated officials widens. This
seems to be especially the case within policy areas where expertise is
accorded great importance.

Our study also supports another common misgiving related to politicians
– namely that the people’s chief representatives – the parliamentarians – are
being displaced in EU-connected policy processes (Maurer & Wessels 2001;
Sciarini et al. 2004; Hegeland 2004). Over half of the units we surveyed
claim that they haven’t had any contacts at all with the Parliament during the
last year in their EU-related work. This figure is quite high. Among the ten
different Swedish actors that we asked them about, only two indicated
higher rates. That Swedish Parliamentarians are loosing power due to the EU
membership is also concluded in a comparative study between the Swedish
and the Finnish parliaments done by Jungar and Ahlbäck Öberg (2002).
According to their research, Swedish parliamentarians feel they have too
little power over EU issues – especially in comparison with the Swedish
government. Finnish parliamentarians feel they have more power, in
comparison to the Finnish government.

Also revealed in the empirical material is that government units on
different levels have tried to meet the demands resulting from EU member-
ship through a variety of administrative measures. For example, our survey
shows that many agencies have set up special EU units and EU coordinators,
and that officials frequently participate in different kinds of educational
programs in order to strengthen their EU competence. This is especially the
case regarding EU regulations, languages, and decision making processes
within the EU and other EU countries. Statskontoret has also found that
agencies have restructured their organizational units on the basis of how their counterparts both in the EU apparatus and in other EU countries are organized (Statskontoret 1997, 2003). Similarly, the government has reorganized Swedish agencies in order to get them to correspond better with their European counterparts.

In sum, important decisions are currently taking form within limited and network-like constellations – ‘enclaves’ – in which national officials, EU officials, and private and public experts participate. There are many such ‘enclaves’, built around many different kinds of issues, working in parallel far away from national politicians. This – in combination with the detailed character of many EU issues, the rapid pace of the processes, and the importance attributed to expertise – makes it difficult for national politicians to supervise and influence EU-related decision making processes. One of the meanings of Europeanization and internationalization is that national politicians are losing control over issues for which they are accountable at the national level.

Contributing further to this complexity, the degree of embeddedness varies between sectors and administrative levels. Those parts of the state that are deeply embedded in the EU can develop more frequent and intimate contacts with non-state actors, including agencies in other EU-countries, than with other parts of the Swedish state. As already noted, agencies are restructuring their organizations and activities on the basis of how their counterparts within the EU and other EU-countries are organized in order to facilitate such contacts. In addition, they are taking actions to strengthen their administrative capacities. In this manner, Swedish administrative units adapt more and more to, and learn more and more about, their specific policy areas – but not about other areas and how Swedish strategies and notions of problems look there. Within certain areas, the embeddedness has become such that Swedish units can be regarded as a part of the EU administration rather than as a part of the Swedish administration. The Swedish Competition Authority is one example of how European ‘enclaves’, led by the EU’s Directors General, can shape both identities and loyalties (Sundström 2000; Jacobsson 1997). In short, the Swedish state is becoming more fragmented (and less coherent).

5. A rule following state
A third characteristic often attributed to states, in addition to autonomy and coherence, is sovereignty. States are perceived as having almost unlimited freedom of action. According to this conception, the state alone decides over its own territory and its citizens. In democracies, there is a variety of
different institutions (parliaments, governments, courts, police, etc.) that make the collective of citizens self governing. The dominating idea in democracies is that the citizens are the state and that the state is the superior rule maker in society.

This conception is also challenged in this paper. Today, states follow and legitimate rules shaped by other actors. This is a third important expression for the displacement from government to governance. In some cases this displacement has been apparent for EU states such as Sweden. For example, they must meet certain requirements in order to join the EU: they must be democracies, they must have a developed market economy, they must meet the ‘convergence criteria’, and they must have a certain level of administrative capacity (see e.g. Granqvist & Wallin 2006). Also, there are many different kinds of actors (not only the EU commission) that are prepared to help countries to meet these demands (Svensson 2006). Moreover, there are also actors that monitor states in order to see if they are capable of meeting all demands placed on them by the EU (Dahl 2005).

After becoming an EU-member, a state must comply with more specific EU regulations. In the Swedish case, this became apparent in the case of agricultural policy. Here, the Swedish Parliament had decided to deregulate agriculture policy just one year before the Swedish government submitted Sweden’s application for EU membership. This was a policy which strongly diverged from EU’s Common Agriculture Policy (CAP), and it had to be abandoned as soon as Sweden became a full EU member (Wallin 2004). In the same manner, Sweden had to comply with EU regulations within areas like competition policy (Bromander & Loxbo 2004), environmental policy (Kronsell 2001), and work environment policy (Jacobsson 1997), although within these areas Swedish regulations were already comparatively in line with EU’s regulations.

However, states do not only follow formal, or ‘hard’, rules. Many rules directed towards states are ‘soft’; they come in the form of advice, recommendations, standards, goals, strategies, guidelines, etc. Such rules are based on voluntary compliance, and often they contain a high degree of reciprocity in that states take part in the creation of the rules. But this voluntariness and reciprocity can be illusory. In practice, it can be difficult for states to not follow (formally) voluntary rules. Educational policy is one example. Here, the so-called Bologna process is currently underway. It dates back to 1999, when the 29 European ministers in charge of higher education met in Bologna to lay the basis for establishing a European Higher Education Area by 2010 and promoting the European system of higher education worldwide. In the so-called Bologna Declaration, the ministers affirmed their
intention to, among other things, adopt a system of easily readable and comparable degrees, adopt a system with two main cycles (undergraduate/graduate), establish a system of credits (such as ECTS), promote mobility and support European co-operation in quality assurance. The declaration contains no legally binding rules. Rather it is a kind of framework, to which countries can adapt voluntarily. Many countries are, in fact, adapting voluntarily (45 countries in May 2005), and Sweden is one of them. But of course, one can wonder how easy it is for a single European country not to follow rules which 44 other European countries are following – especially if the country sees itself as open, dependent, cooperative and modern, as in the case of Sweden.

Employment policy is another area highly characterized by soft rules. Here, the EU is working with the so-called ‘Open Method of Co-ordination’ (OMC). This method was introduced at the Lisbon Summit in March 2000 as a tool for strengthening the “Community dimension”. The idea was that all EU-states should take part in the efforts to improve people’s employability, spirit of enterprise, adaptability and equality regarding possibilities on the European labor market. The OMC was a reaction to existing EU modes of governing, which was perceived as too restrictive, and giving national politicians too little room to maneuver (Zetlin & Pochet 2005).

The OMC works in stages. First, the Council of Ministers agrees on policy goals. Second, member states translate guidelines into national and regional policies. Third, specific benchmarks and indicators to measure best practice are agreed upon. Finally, results are monitored and evaluated. It is a decentralized method largely implemented by the member states and supervised by the EU Council. The Commission has a monitoring role, while the involvement of the EU Parliament and the European Court of Justice is limited. Thus, the OMC rests on several soft law mechanisms, such as guidelines, indicators, benchmarking and sharing of best practices. There are no official sanctions for laggards. Rather, convergence is attained through a form of peer pressure and “naming and shaming” (Jacobsson & Vifell 2005). The OMC is also applied within other policy areas, such as social inclusion, pensions, immigration, education, culture, and asylum. Its use has also been suggested for health and for environmental affairs.

Clearly, the EU is an important regulator. But states are also part of a much wider global regulating context. For example, several of the Swedish so called ombudsmän are following international rules, or national rules based on international rules. The Children’s Ombudsman’s main duty is to promote the rights and interests of children and young people as set forth in the United Nations (UN) Convention on the Rights of the Child. The agency
also monitors the implementation of the convention in Sweden. In the same manner, the Disability Ombudsman’s work is founded in the UN Standard Rules on the Equalization of Opportunities for Persons with Disabilities. These rules were adopted by the General Assembly of the UN in 1993 and are based, among other things, on the UN Declaration on Human Rights and the UN Convention on the Rights of the Child. The Standard Rules lay down what is required of a state to ensure that people with disabilities should have the same opportunities as other citizens. Sweden has approved the Standard Rules and undertaken efforts to comply with them. In 1994, the Disability Ombudsman was established, among other things to monitor how the Standard Rules are observed in Sweden.

Public Management Policy (PMP) is another policy field highly influenced by global ideas and activities. Here, the World Bank and the OECD have been important rule makers for many years (Barzely 2003; Pollitt & Bouckaert 2004). They have been spreading different PMP ideas and practices aimed at governments. These ideas and practices have been summarized in concepts like ‘New Public Management’ and ‘Good Governance’ (Hood 1991), and the rules associated with these standards have been extremely soft. For example, the OECD has gathered information from different states about achievements and setbacks and used them to make comparisons, lists, and rankings. The information has then been spread through not only publications, but also through conferences and seminars hosted by the OECD. In these activities, Sweden has been an industrious participant (Premfors 1998; Lardell & Sahlin Andersson 1997). There have been no official sanctions for laggards. Instead, just as in the case of the Open Method of Coordination, convergence has been attained through peer pressure and naming and shaming.

The examples could of course be multiplied, but our point here is simply to illustrate the fact that EU states like Sweden are following many different kinds of rules created outside the nation-state. Many of these rules originate from the EU, but many also originate from a much wider, global context. The examples also show that in a rule following perspective governance takes a variety of different forms. One is, of course, the rules as such. The rules can be ‘hard’ or ‘soft’, and it is our notion that rules intended for states often are of the latter kind. Soft rules are also often accompanied by different kinds of scrutinizing or monitoring activities. There is no shortage of large and influential international organizations, which scrutinize the activities of states in order to see if they are following rules – and which are prepared to bang the big drum if a state fails to meet the commitments that follow from signing international conventions and treaties pertaining to
environmental protection, human rights, organized crime, and corruption, among other things. Amnesty International, Greenpeace and Transparency International are examples of such inquisitorial organizations. Also, during the 80s and the 90s, we saw an increase in state agencies specialized in auditing, evaluating, and supervising other state agencies (Hood et al. 1999; Premfors et al. 2003). And, as we noted in the examples above, many of these agencies follow international rules, or national rules which originate from international rules.

The examples also showed that rules – especially soft ones – aimed at states often are surrounded by discourses. Convergence is to a considerable extent achieved by opinions and notions being formed through conversations and discussions. International organizations are important actors in the making of these discourses. They act as ‘hosts’, making sure that representatives of states not only read the same documents, but also meet recurrently to discuss the various issues; they have a kind of meditative function. Above, we noted that the OECD has acted as ‘host’ within the PMP area. Yet, the OECD has neither worked out rules, nor conducted formal evaluations. Instead it has put together knowledge and experience about how different PMP methods have worked in different states, then pointed out which have been successful (and are worth emulating) and which have failed or are lagging (and need to pull themselves together and speed up the adaptation). In Table 2 we summarize our discussion about different forms of governance in a rule-following perspective.

<table>
<thead>
<tr>
<th>Table 2: Three different forms of governance in a rule following perspective</th>
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</thead>
<tbody>
<tr>
<td><strong>Form</strong></td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Rules</td>
</tr>
<tr>
<td>Scrutinizing</td>
</tr>
<tr>
<td>Discourse</td>
</tr>
</tbody>
</table>

This is an analytical model. In practice of course, there are actors who perform all three functions. Especially in cases of soft rules, it appears important for rule makers to create an inquisitive and discursive infrastructure around the rules. It is our notion that the inquisitive and
discursive components have increased in recent decades, which is an important part of the displacement from government to governance.

Variations in the implementation of rules

Even though we are convinced that states have become more rule followers in recent years, rule following is not a simple and unambiguous process. Jacobsson (1997) found, after studying three different policy areas, significant variations in the way EU regulations were adopted into the Swedish context.

Within the work protection area the adaptation was quite reluctant. Here, a 20 year old corporatist arrangement – where rules were decided in cooperation between the private industry, interest groups, trade unions and the Swedish Work Environment Authority (Arbetsmiljöverket) – was replaced by EU regulations largely created within private standardization organizations. Also, the already established Swedish rules (often worked out in hard negotiations) were more restrictive than those coming from the EU. This resulted in Swedish actors trying to protect both existing rules and modes of working. Not surprisingly, methods to protect both were also found. For example, the vague character of EU rules made it possible for the Work Environment Authority to interpret them on the basis of existing Swedish rules rather than on the basis of how other countries interpreted them. Many EU rules were also designed as minimum standards, which meant that the agency could continue to use the more restrictive Swedish rules – as long as they didn’t prevent fair competition. Furthermore, the agency played down its information and advice activities in favor of more firm control activities. In sum, the agency found ways to ensure that older (and more stringent) demands were preserved.

Within the medical product area, the adaptation to EU was much more benevolent. Here, EU membership meant that the Swedish Medical Products Agency (Läkemedelsverket) was arranged into a system of competition, so far as investigation and control assignments should go to those national agencies that were seen as most competent to carry them out. The Swedish central agency had a good reputation abroad and had been working successfully at the international level for many years. In this instance, the agency welcomed the new order rather than protecting old rules and ways of working. Supported by the Swedish medical products industry – which strengthened its reputation in step with the amount of assignment given to the Swedish Medical Products Agency – the agency worked ambitiously and with enthusiasm to improve its position within the new organizational landscape.
However, there were also ways to protect old ideas and ways of working within this policy area. Even if it was not possible to formally stop medical products that had been approved by the EU, the Medical Products Agency could inform the Swedish people about products in a number of ways. The agency could inform or advise ‘against’ products that it for some reason (medical, economical, etc.) disapproved of, and inform ‘for’ or recommend products that it approved of.

Finally, within the area of competition policy, adaptation to the EU was neither reluctant nor enthusiastic, but passive. On the whole, Sweden simply copied the EU’s competition regulations. This can be partially understood in light of Sweden already having rules that were in line with those of the EU. Prior to Sweden’s EU membership, the Swedish Competition Agency (Konkurrensverket) had already had extensive exchanges with the Commission’s DG for competition and with their counterparts in other EU states. But also within this area Sweden has tried to protect old Swedish ideas and practices, primarily through exceptions, agreed on in negotiations between the Swedish government and the EU Commission. Well known examples are alcohol policy, medical products policy and gambling policy, each of which are state monopolies. In Table 3 we summarize our discussion about variations in the adaptation of EU rules.

<table>
<thead>
<tr>
<th>Policy field:</th>
<th>Work protection</th>
<th>Medical products</th>
<th>Competition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adaptation:</td>
<td>Reluctant</td>
<td>Benevolent</td>
<td>Absolute</td>
</tr>
<tr>
<td>Strategy:</td>
<td>Resist (reactive)</td>
<td>Push on (active)</td>
<td>Copy (passive)</td>
</tr>
</tbody>
</table>
| Methods:      | • Interpret EU rules on the bases of old Swedish rules  
• Make use of minimum levels  
• Strengthen control activities | • Engage in the construction of the new system  
• Inform ‘for’ and ‘against’ different medical products | • Work with exceptions |

These cases show that explanations to variations in rule adaptation are not only to be found on a state level (see e.g. Jacobsson et al. 2004). Variations can also be found within states. Perhaps the adaptation has to do with each and every policy area’s specific ‘technology’? In that case when studying a specific area we ought to see similar adaptation processes within different states. However, if we believe in path dependencies we should search for
explanations in history; in the way a specific policy area has been organized and regulated within a specific state.

In sum, states are today not only to be regarded as rule makers. To an increasing extent, they are following and legitimating rules worked out by other actors. Often these rules are soft; they come in the form of advice, standards, goals, guidelines, etc., and they are based on reciprocity and voluntariness. However, both the reciprocity and voluntariness can be illusory. Even though states are members of many rule-setting organizations such as the EU, and have the right to participate in the rule making process, it can be hard to actually influence the process. It can also be problematic for a reluctant state not to follow formally voluntary rules when other states are doing so.

In a rule following perspective governance take many forms. Convergence is not just achieved by the rules as such. There are many organizations in the world, both within and outside the states, which perform inquisitive and/or meditative functions, and which sometimes contributes very strongly to convergence. These functions appear to increase in importance as the rules becomes softer. However, we also saw that state actors can follow rules in different ways, depending on how existing ‘home made’ ideas and rules fit ideas and rules coming from outside the state. We saw that the adaptation process was reluctant within the working protection area, benevolent within the medical protection area, and passive within the competition policy area. We could also see that state agencies within the three different areas used different methods to resist or push on new ideas and rules coming from the EU. The examples showed that it takes close studies of the dynamics and histories of different policy areas to understand the mechanisms behind the adaptation. So, even if we do not believe the states are controlled in a simple way by other actors, our conclusion remains quite clear: *The Swedish state is becoming more of a rule follower (and less of a rule maker).*

**6. EU and the legitimacy of the state**

Sweden has become deeply embedded in the EU and in the wider international community. This embeddedness changes the conditions for the state regarding the way it works, the way it is organized, and the way it is regulated. This has prompted the Swedish government to take action. Our empirical material reveals that the government has used several different strategies in order to cope with the changes and to keep up the legitimacy for the state. Below, we will discuss four of these strategies. These are analytical
constructions; in practice they have been used only partly, more or less actively, more or less explicitly, and in parallel with each other.

‘Sweden is not affected’
A first strategy has been to maintain that Sweden is only affected to a limited extent by the EU. This strategy is based on the argument that Sweden was forced to join the union due to structural reasons. Membership was a must, but it was not desirable, nor did it mirror any changed ambitions or identity. In line with this, it has been important for the government to downplay ideas and rules coming form the EU and to assert that old Swedish institutions can be maintained. EU is generally not presented as a solution, and not as something we can learn from.

Several methods have been used within this strategy. One has been to talk about the EU as something remote and about ongoing processes as something quite inconsequential for Sweden. This has been obvious within areas such as alcohol policy, security policy, and labor market policy. A recent example also can be found within energy policy. Here, the heads of the EU states met in March 2006 and agreed on a common energy policy. The agreement included, among other things, a provision that EU states should work for an opening of the energy markets, seek improvements in the possibilities for transporting energy, work out common approaches to energy producing countries outside the EU, and support the development of renewable energy. However, coming out from the meeting the Swedish Prime Minister sought to play down the importance of the agreement. In a radio interview he maintained: “The commonalities lie in the fact that the countries are going their own ways”.13 Indeed, in a speech about the EU and Swedish foreign policy, made only a few weeks before the Swedish election to the EU parliament in 2004, Sweden’s Prime Minister declared that he thought the election campaign was about “as exiting as kissing his own sister” (Svenska Dagbladet, 24 June 2004).

The efforts to make the Swedish people believe that the EU affects Sweden only marginally have also been obvious within the Public Management Policy area. Here, responsible politicians and agencies have repeatedly maintained that old Swedish organizational principles can be maintained. The ‘dualism’, Management by Results and the prohibition of ministerial rule have been described as institutions that not only fit, but also facilitate, Swedish EU work (SOU 1993:80; Statkontoret 1996; Finansdepartementet

1993, 1995). This is not because investigators have reached such conclud-
sions through solid studies. Instead, this has been a point of departure for
the investigators. No responsible actor has suggested that the Swedish state
faces new and profound challenges due to the EU membership. EU’s
consequences have instead been characterized as minor and old existing
control systems and ways of working as well-designed to meet the demands
that arise from Sweden’s EU membership.

Our empirical observations contradict these accounts. As mentioned
above, large portions of the central state have become deeply embedded in
the EU and many changes have been made within several policy areas as a
result of this embeddedness. Contact patterns, steering signals, modes of
organizing, competences, values etc. have all changed, but the Swedish
public management policy has largely remained intact.

Thus, practices are changing, but the ways in which they are presented
are not. We find this interesting, especially given our theoretical points of
departure. According to the theory, an organization exposed to new external
demands will respond by creating structures and procedures that give the
impression that the demands are met. In this case we should expect the
Swedish government to create special EU programs, EU procedures, EU
task forces, EU units and other formal arrangements that gave the impres-
sion that Sweden is taking the new demands seriously, but without these
arrangements necessarily affecting official’s every day work that much.
Thus, we should expect to find a de-coupling between (a stable) practice and
(a changeable) presentation of the practice. But this is not the case.
Certainly, the practice is de-coupled from the presentation of the practice,
but it is the presentation that is stable, while the practice is changing. Thus,
what we have is an ‘inverted de-coupling’. It seems that established Swedish
institutions have greater legitimacy than institutional changes emanating
from the EU. This tells us that organizations do not always strive for the
modern and the fashionable and that such desirable institutions always are to
be found outside the organization. In this case the ideals are to be found
inside the Swedish state, in old institutions, sometimes hundreds of years
old.

'Sweden can pick and choose'
A second legitimacy strategy for the government has been to maintain that
Sweden can ‘pick and choose’ what to adopt from the EU. This strategy is
based on the argument that Sweden should be a part of the union because we
benefit from it within certain restricted areas. Where problems are obviously
transnational – as they are in the cases of organized crime and environmental
protection – transnational cooperation is needed, but as for the rest, Swedish institutions should be maintained and protected. In line with this, it has been important to strengthen the impression that Swedish national politicians are in control over which policy areas are handed over to the EU and which are kept on the national level.

Different methods have been used within this strategy. One has been to take a leading role within areas that Sweden regards as important. For example, during Sweden’s presidency it became important for the government to promote the picture that Sweden could, by taking initiatives and mobilizing actors, influence certain prioritized areas – ‘the three E:s’ (Enlargement, Employment, Environment) became a well known phrase.

But ‘picking and choosing’ has also been about resisting developments not desired by the Swedish government. The establishment of the Euro is one example. Sweden is a full member in the European monetary cooperation. Yet, it has managed to hold on to the Swedish currency without having a formal exception (like the ones Great Britain and Denmark have). And this has been attained by deliberately staying out of EU’s exchange rate cooperation mechanism (ERM2), which represents a system of voluntary cooperation (Ådahl och Eklund 2003).

Another method has been to seek exceptions. The Swedish government has tried to promote the picture that it can, through agreements with the EU commission, ensure exceptions from EU-regulations. Here, alcohol policy and medical products policy provide two examples. However, in practice it has been difficult to arrive at such agreements, and agreements that have been reached have had difficulty surviving when individual cases have reached the EU’s judicial systems. For example, the future of the Swedish state monopoly regarding medical products is at present dependent on decisions made by the European Court of Justice, and the advocate general’s opinion seems to be much more important than the opinions of individual Swedish politicians.

'Sweden can influence EU’s decision making’
This third legitimacy strategy is also based on the argument that Sweden has something to gain through co-operation with other EU states. Here, however, the government is trying to strengthen the picture that Sweden can influence EU on a broad scale. We have to cooperate within all policy fields, but we have to work for Swedish ideas and solutions – we have to try to make other countries think and act as we do.

The method used within this strategy has above all been to support the image that Sweden can speak with a strong, authoritative voice in its
exchanges with other countries and with the EU. Through different co-ordination arrangements the government has tried to convince Swedish citizens not only that the Swedish state is capable of ‘speaking with one voice’, but also that the Swedish state and other Swedish actors (NGOs, private industries, local authorities and regions etc.) can act jointly when working with EU matters and participating in different EU organizations (Sundström 1999).

Judging from our studies, these co-ordination efforts have not been especially successful. State agencies and ministries are to a large extent forced to work outside the framework of formal coordination arrangements. Informal channels are often used when officials are trying to verify and anchor their standpoints. And often these officials are reacting – they are not taking initiatives, but awaiting other actors’ initiatives. To the extent Swedish officials do exert influence it is within the scope of something quite narrow and defined by others.

In addition to the obstacles noted above, private actors have been given a rather weak position in EU oriented policy making processes (Johansson 2002). Their participation is loosely regulated, and for an outsider it is generally hard to get an overview over not only which cooperative procedures, workings groups and arenas have been set up by the state, but also when they are at work and who is welcome to participate. Our studies also show that when private actors do participate in these kinds of procedures their possibilities to actually influence Swedish ‘standpoints’ are limited – they are informed rather than consulted.

'Sweden's and EU’s policies correspond’

A forth, and final, legitimacy strategy has been to assert that changes Sweden has been undergoing in recent years would have taken place whether we were EU members or not. This strategy is based on the argument that Sweden should join the EU, not so much because we would suffer if we didn’t, but because EU’s ideas and ambitions to a large extent correspond with Swedish ideas and ambitions. Thus, EU membership is not an especially risky undertaking.

Here it has been important to support the picture that the Swedish state can easily integrate changes coming from the EU with established Swedish institutions. One way of doing that has been to simply maintain that new (and old) EU ideas and rules correspond reasonably well with what Sweden is already doing – or has long planned to do. The discussions regarding how Swedish competition policy, environmental policy, security policy and policy on organized crime have developed offer some examples.
In sum, several different strategies have been used in an effort to legitimate Swedish EU work. The strategies are based on several distinct arguments, but they all emphasize the boundary between the Swedish and the European, and that the Swedish is preferable to whatever Europe has to offer. The picture that these strategies convey is that Sweden certainly has to cooperate with other countries, but that Sweden has quite little to learn from them. Instead it is important to convince others that our Swedish ideas and solutions are good – it is they who have to learn, not us.

**Sweden – a reluctant European**
Sweden can thus be described as a reluctant European. This can largely be explained by the Swedes being a reluctant people. It is important to recall that when the Swedish people voted for an EU membership in 1994 the victory for the Yes side was a narrow one, and when they voted on the Euro in 2003, a clear majority took the No side (56 against 42 percent). This hesitation is partly due to the Swedes worrying about the EU having a large democratic deficiency. But it has also to do with how Sweden became a member of the EU. Critics maintain that the membership was forced by an alliance composed of a political and economic elite. This Establishment managed to sell the picture to the Swedish people that Sweden had to join the union due to a number of structural reasons – that the membership was the terminal point on a gradually, logical and functional adaptation process. Here, the end of the Cold War, a growing awareness of transnational social and environmental problems, a fast growing international economy, new information and communication systems, and a failure for the Social Democrats economic program (‘the third way’) were frequently referred to (Gustavsson 2002).

The EU critics disapprove of such necessity rhetoric. Their argument is that membership in the Union wasn’t unavoidable at all, and they claim that the decision to apply for EU membership had weak support within the population. Indeed, the decision has been described as a coup (Carlsson 2003 p. 372). The Social Democratic government, led by Ingvar Carlsson, has been accused of slipping in the decision as a side issue in an economic crisis program in 1990. This coup was, according to the critics, the beginning of an extensive persuasion process with several improper elements. Among other things, the Yes side had at its disposal 20 times more money than the No side in the referendum on EU membership. The Ministry of Foreign Affairs sent out a lavish brochure to all Swedish homes containing information about the EU, which EU critics considered propagandizing and misleading. The government was also accused of improperly influencing the
referendum by arranging a referendum sequence among the four application countries (Finland, Norway and Austria, in addition to Sweden). The argument here was that the Swedes would have voted against a membership if they had voted after the Norwegians (who voted against). The examples are numerous. Our point here is that in Sweden, discussions about the EU have been filled with conflict, and we believe that these conflicts can explain the government’s legitimacy strategies. The government has been heavily criticized, also by its political supporters. One result is that the accusations about false history writing, coups, unfair campaign tactics, and so on, have forced the government to navigate cautiously in the EU discussion.

7. Conclusions
In this paper we have discussed from an Europeanization perspective what a shift from government to governance can entail for a modern western state such as Sweden. Our findings indicate that the state has undergone major changes due to the EU membership. Is has become more embedded (and less autonomous), more fragmented (and less coherent) and more rule following (and less rule making):

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<tr>
<th>Government</th>
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<tr>
<td>Autonomous</td>
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<td>Coherent</td>
<td>Fragmented</td>
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<td>Rule making</td>
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We would like to emphasize that we do not suggest that this shift from government to governance is a development limited to recent decades. We believe that the Swedish state has had governance characteristics for many years. However, we do argue that these characteristics have been strengthened in recent years, and especially due to Sweden’s EU membership. Rather than a clear cut ‘shift’, we prefer to talk about a displacement from government to governance – or even more correctly, displacements – since as we have shown in this paper, the embededness, the fragmentation, and the rule following have been more salient within certain areas. In short, our research casts doubt on the dichotomous use of the concepts government and governance.

We have outlined four legitimacy strategies used by the government: It has argued 1) that EU effects on the Swedish state generally are very limited; 2) that national politicians can control which policy areas to keep on
a national level and which to hand over to the union; 3) that Sweden generally can promote and influence EU-policies by acting coordinated and jointly; and 4) that Sweden’s and EU’s policies usually correspond.

Sweden has been – and remains – a reluctant European. Due to a widespread Euro-skepticism among the Swedish people it has not been legitimate for the government to re-organize and re-regulate the state with reference to Sweden’s closer relationship to the EU. Instead legitimacy has been searched for in history. The EU has been described as something distant and unimportant – as something that does not threaten established Swedish institutions. For the Swedish government, it has been vital to support the picture that Sweden is its own master; that Sweden’s elected politicians will always ultimately decide which rules must be followed by Swedish citizens, communities and companies. This reluctance has prevented a more vital and pragmatic discussion to emerge in Sweden about how to regulate and organize the Swedish state in order to make it successful when participating in the EU and in the wider international community.

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