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Transformations in the  
Swedish Administrative  
Model**

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Scores rapportserie 2007:5  
ISBN 978-91-89658-47-9  
ISSN 1404-5052

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*The original reformers believed that public choice and agency theories were tools that enabled them to solve perceived problems such as 'provider capture' of the political executive by egoistically self-interested bureaucrats who were unresponsive to the will of the elected government of the day. Yet 15 years on an assiduous researcher could find as much, if not more, evidence to support the view that these theoretical dimensions of the reforms addressed a 'problem' that was a negative caricature rather than an accurate description. Any such researcher could also garner more than enough empirical evidence to support an argument that the theoretical nostrums drawn from the reformers' tool-bag became instrumental in actually shaping rather than countering the sort of behaviour by government officials that they aimed to prevent. Arguable, the first generation reforms produced a type of officials that they were intended to get rid of, but who did not really exist in the first place.*

Robert Gregory 2006 p. 155

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## Abstract

This report discusses how different fundamental changes in society have changed the conditions for the Swedish Government to govern state agencies. It is argued that the Government during the 70s and the 80s relied heavily on three integrated governing techniques. *Firstly*, it used softer forms of governing. When trying to control and steer agencies, ministers typically did not try to dictate what specific measures to take or what specific goals to attain. Rather, they (re)organized activities and actors within the agencies' issue-fields and used 'talk' to change prevailing notions of problems and solutions. *Secondly*, ministers tried to keep away from day-to-day activities handled by agencies. High demands for action put on them made it much easier for ministers to get involved in specific issues than to keep away from them. Thus, the Government was constantly threatened by overload. However, by referring to the constitution ministers often managed to keep specific issues at arm's length. *Third*, responsiveness was high in the system. Agencies were anxious to find out and act in accordance with the ministers' wishes and desires, and ministers were responsive to demands from below. The system was mainly based on trust. Officials had a strong notion of when issues became politically 'hot' and needed to be 'hoisted up' to the political level.

In the report it is argued that these three governing techniques are still effective but it becomes gradually harder to use them due to fundamental changes in society, especially the internationalization, the managerialization, and the medialization of the state.

## 1. Introduction

Agencification is in fashion. It is certainly not a new phenomenon (Wettenhall 2005), but it seems to have increased in recent years. The ‘Next Steps’ initiative in the UK under Margaret Thatcher is often seen as a starting point for the present ‘agency fever’ which has affected such different kinds of countries as Canada, The Netherlands, Japan, New Zealand, Australia, Korea, Portugal, Tanzania, and Jamaica. Also the EU has followed the trend of a more programmatic creation of agencies (Christensen and Lægveid 2006; Pollitt et al. 2004; Moynihan 2006; Nakano 2004; De Araújo and Esteves 2001; Wettenhall 2007). According to OECD, agencies in central government now account for more than 50 percent of public expenditure and public employment in several OECD countries. In some cases, e.g. the UK and New Zealand, the figures are as high as 75–80 percent (OECD 2005 p. 114–115).

Agencification is based on a quite simple idea. Just like other modern public management reforms – e.g. decentralization, contracting-out arrangements, and management by results – it rests on the classical distinction between policy formation and policy implementation. The idea is that policy formation should be handled by slimmed and trimmed ‘core executives’, while policy implementation should be carried out by professional executive agencies with considerable managerial freedom and an extensive duty to report to the core the results of their performances. Thus, ‘agencies’ are in this paper defined as *public organizations*<sup>1</sup>, which are *legally subordinated to the Government*<sup>2</sup> but are *structurally disaggregated* from the core executive and which enjoys considerable *policy and managerial autonomy* (Pollitt et al. 2004 p. 7–11). ‘Agencification’ is a process where new agencies are created or where existing agencies are given more autonomy.

Agencification has several aims: increased efficiency, strengthened and clarified responsibility and accountability lines, a more encouraged and professional administration, and a more service oriented administration placed closer to citizens (OECD 2005 p. 108-111). Another important aim is to strengthen the politicians’ ability to steer the administration. Agencification will, it is argued, allow for politicians to steer both more and less. By hiving off ‘smaller’, recurrent and technical matters into executive agencies (and thereby steer less) politicians will have more time for ‘big’ and ‘important’ matters (and thereby steer more).

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<sup>1</sup> That they are *public organizations* means that they have their status defined in public law, are staffed by civil servants and financed mainly by the state budget.

<sup>2</sup> We will use the word ‘Government’ (spelled with a capital) for the ministers as a collective.

However, it is not an easy task to find the balance between agency autonomy on the one hand and steering and control on the other. This is reflected in evaluations of agencification reforms (OECD 2005 p. 117-120; Christensen and Læg Reid 2006a; Massey and Pyper 2005 p. 84-91). Some say that on the whole the reforms have had the effects strived for, even though there is room for further improvements. Others, however, claim that the reforms have led to a fragmented state. The agencies have become too autonomous in relation to their political superiors (vertical fragmentation), and their ability and willingness to work together in order to solve common problems have decreased (horizontal fragmentation). These kinds of setbacks have given nourishment to a discussion about how to balance autonomy and control: “What is now at the core of the debate is what institutional features give the best balance between autonomy and control”, OECD concludes its discussion about agencification (OECD 2005 p. 117).

Also in contemporary agency research the ‘balance question’ has become a central theme (Verschuere 2007; Richards and Smith 2006; Læg Reid et al. 2006; Pollitt et al. 2004; Peters 2004; Verhoest et al. 2004; Yamamoto 2006). Today many scholars in public management are asking questions about the capacity to govern from the centre. Titles like “Will the Centre Hold?” (Premfors 2007), “Back to the Centre? Rebuilding the State” (Peters 2004), “The Reassertion of the Centre...” (Halligan 2006), “Investigating Power at the Centre of Government” (Weller 2005), “Hollowing out or filling in?” (Taylor 2000), and “Joined-Up Government” (Bogdanor 2005) reflects this interest. In this research, questions are asked about the extent to which policy and managerial autonomy and result based control in fact have been introduced, how ministers and the Government actually govern agencies, how the political and administrative culture in which agencies are embedded influences politicians’ way of governing agencies, and how the balance between autonomy and control is affected by fundamental changes in society, such as internationalization, medialization and managerialization.

In this discussion, Sweden ought to be an interesting case. In Sweden practically all public services are performed by agencies enjoying considerable autonomy. Of the around 200 000 state employees only 4 600 – or 2.3 percent – are to be found within the core executive. And noticeably, regarding the fundamental administrative format Sweden has not followed in the footsteps of the UK. Actually, it is the other way around – the UK, and its follower, are treading in the footsteps of Sweden (Wettenhall 2005).<sup>3</sup> And

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<sup>3</sup> It should be mentioned that Margret Thatcher, when preparing the Next Steps initiative, did send a delegation of practitioners to Sweden to learn about Swedish experiences of autonomous state agencies.

the path they are walking is old, very old. Swedish state agencies have been distinctively separated from the core executive for almost 300 years. So, if there are experiences to gain and lessons to learn about how politicians govern autonomous agencies, and how the conditions for governing have changed in recent years, it seems like a good idea to search for them in Sweden.

In this paper we will discuss the Swedish case. The paper is divided in five sections. In the first, we will give a short formal description of the Swedish administrative model. In section two, we will offer our interpretation of how the Swedish Government has been governing state agencies during the postwar period and how it has managed to strike a balance between control and autonomy. In section three, we will discuss three ongoing fundamental transformations in society: internationalization, managerialization, and medialization. And in section four we will discuss how these transformations have altered the Government's capacity to govern and uphold a balance between autonomy and control. In section five, finally, we will relate our findings to the ongoing discussion about whether there has been a shift in the way the state is governed, a shift often referred to as 'from government to governance' (Kjær 2004; Pierre and Peters 2000).

Our discussions will be based on a neo-institutional organizational perspective, or sociological institutionalism (March and Olsen 1989, 2006; Meyer and Rowan 1977). This means that we will frame actors (e.g. states) as scripted and their actions as permeated by logics of appropriateness (Jacobsson 2006). States live up to obligations and rules in their complex environments; "...they follow rules or procedures that they see as appropriate to the situation in which they find themselves" (March 1994 p. 57). If a state wants to be perceived as modern and legitimate, then there are rules governing how it should go about achieving that. The basic features for making a decision are: 1) establishing ones identity; 2) establishing what kind of situation the actor is in; 3) identifying matching rules to the situations; and 4) acting in accordance with the rules that best matches the situation.

The logic of appropriateness does not mean that actors are predestined to do things. Adaptation processes can be very complicated. Identities and rules rarely specify everything unambiguously; there is always room for agency. How actors choose to follow scripts is influenced by motivational, cognitive and organizational factors (March 1994 p. 68).

## *The Swedish Administrative Model*

Sweden is a small, unitary, parliamentary, and multiparty state. Since 1995 it is also a member of the EU. Like other Scandinavian countries Sweden has a long and strong democratic tradition and nurse relatively strong collectivistic and egalitarian values.

Exactly what ‘the Swedish Administrative Model’ consist of is disputed. Different lists are often presented of features which together are said to constitute the model. These lists may vary regarding the features as such, as well as their numbers. However, some features are listed more frequently than others, and some are rarer than others. Thus, the Swedish state is often pointed out as being open, consensus oriented, corporatist, big, and bottom heavy, i.e. most public services are provided by local authorities (Premfors et al. 2003 chapter 2).

However, the feature mentioned most often when trying to specify the uniqueness of the Swedish Administrative Model is the so called ‘dualism’. 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 an old – the roots are to found in a decision made as far back as 1720 (Andersson 2006) – and distinct ‘dualistic’ character. Ministries in Sweden are small and organized together in a formal organization headed by the Prime Minister – the Government Office (*Regeringskansliet*). At present there are about 4 600 officials working inside the Government Office, of whom around 180 are political appointees (Regeringen 2007). These 4 600 officials are divided in twelve ministries, the Office for Administrative Affairs and the Prime Ministers Office. Over 1 500 officials are working in the Ministry of Foreign Affairs and about 100 in the Prime Minister’s Office.

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.<sup>4</sup> These agencies are depicted as ‘semi-autonomous’ not only because they are organizationally separated from the ministries but also because the power of the ministers and the Government to issue orders for agencies is constitutionally circumscribed.<sup>5</sup> This restriction has two components: First, decisions should, with just a few exceptions, be taken by *collective vote in 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

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<sup>4</sup> According to the agency Statskontoret there were 547 agencies in December 2005 (Statskontoret 2005).

<sup>5</sup> For a discussion on the concept ‘autonomy’ see Verhoest et al. 2004.



law, decides on either rights or obligations for an individual citizen or organization 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 (*Riksdagen*), can decide how the agency should decide.<sup>6</sup>

Thus, traditionally Swedish agencies have had a high level of organizational and policy autonomy, an autonomy protected by the constitution. However, this does not mean that the Government has lacked instruments to govern state agencies. According to the constitution and the Instrument of Government (*Regeringsformen*) “the Government governs the Realm”, and to fulfill that duty the constitution provides the Government with statute power, financial power<sup>7</sup>, appointment power<sup>8</sup>, control power, and organizational power. At the same time, it should be noted that the dualism has taken on a certain degree of sacredness in Sweden (see e.g. SOU 1983:39). For a long time it was a most delicate thing for politicians to contact agencies at all, and it was possible for executives in agencies not to talk to and inform ministers about their activities. However, in the 1960s and 1970s, with egalitarian values becoming stronger in society at large,<sup>9</sup> this sacredness started to weaken. In the mid 1980s the parliament also made explicitly clear that informal contacts are allowed between officials and politicians in the ministries on the one hand and officials in agencies on the other, even though several juridical instances grunted over this decision (see Smullen 2007 chapter 6). Thus, the borders between ministries and agencies have gradually become easier to cross, but the notion that politicians should leave agencies alone is still quite strong in Sweden. This notion is also constantly supported by the fact that politicians of the opposition each year report ministers to the Committee on the Constitution in the parliament for having interfered too much in an agencies’ work.

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<sup>6</sup>Article 7, Chapter 11, in the Instrument of Government (RF) reads: “No public authority, including the Riksdag and the decision-making bodies of local authorities, may determine how an administrative authority shall decide in a particular case relating to the exercise of public authority vis-à-vis a private subject or a local authority, or relating to the application of law.”

<sup>7</sup> RF Chapter 9, Article 6 reads: “The Government submits proposals for a national budget to the Riksdag.” And in Chapter 9, Article 8 it is stated that: “Funds and other assets of the State are at the disposal of the Government.”

<sup>8</sup> RF Chapter 11, Article 9 reads: “Appointments to posts at courts of law or administrative authorities coming under the Government are made by the Government or by a public authority designated by the Government.”

<sup>9</sup> One symbolic expression of this was when the Director General in one of the most important public agencies encouraged Swedish citizens to say “*du*” to each other (before this, you said “*du*” to the ones you knew personally, but “*ni*” or a title to everyone you didn’t know personally, or if you wanted to be polite).

## **2. Soft Governing: Ministries and Agencies in the 1980s**

How then, has the Swedish Government actually been governing the semi-autonomous agencies in a postwar perspective? The techniques used in the late 1970s and 1980s could very well be described as a system of soft governing. When Bengt Jacobsson studied how the Government governed six different policy fields during this period, he found that it to a large extent used its power to organize (Jacobsson 1984, 1989). Politicians legitimized some issues and decided in a quite general way how they should be handled. Thus, the agenda was often set by the politicians, but the daily work was handled by agencies that worked at a considerable distance from the ministries. Moreover, politicians were generally not trying to control the agencies on a 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 ministers and the Government to take action. On these occasions, control strategies and techniques that were described as important in official documents (and also in textbooks in political science) – such as formal statutes, goals, appropriation directives etc. – were not that important. Instead ministers and the Government typically set up new administrative units, initiated ad hoc commissions where private and public actor 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, ministers made announcements and arranged and participated in conferences and seminars. Talk seemed to be one of the most important control instruments.

Another way for ministers and the Government to take action was to organize specific issues. Here, the dualism, and its sacredness, was of great importance. In situations where ministers didn't want to get involved in specific issues they often referred to the dualism. When journalists asked them why they didn't act in a specific matter they claimed that they were constitutionally prohibited to interfere. If they interfered, they would (justly, they argued) be criticized by the Committee on the Constitution. The argument that "...according to the constitution, I am not allowed as a minister to interfere in this issue, since it is to be taken care of by our autonomous agencies" was strong. On the other hand, ministers who wanted to take decisions in specific matters in order to show that they were responsive and on top of things were seldom prevented by the dualism. It was often possible for them, if they deemed it desirable, to activate and 'hoist up' issues from agencies. On the whole, one may argue that the Swedish dualism was advantageous for ministers who wanted to control

their own agenda. It made it possible for them *both* to keep specific issues at distance when needed *and* to take control of them when needed.

One could think of the work of ministers as a kind of balancing act between illegitimacy, on the hand, and overload, on the other (Jacobsson 1984 p. 189-191). It would have been considered illegitimate if ministers had not hoisted up ‘hot’ issues, even if these previously had been delegated to agencies or ‘networks’. At the same time, the ministers needed to push the issues back down to the agencies as soon as possible (or at least in reasonable time). Otherwise, the ministries would soon have become overloaded.

This way of governing was also underpinned by a well established role perception among state officials, within both the Government Office and the agencies. Loyalty and trust were two key ingredients in this role perception. This was for example expressed in extensive informal exchanges between officials within the agencies and the ministries. These exchanges had several purposes (Jacobsson 1984 p. 161–165). For example, when events occurred that called for Government action the agencies were anxious quickly to assist the minister in question, primarily by providing the ministry with expertise. Often agencies also wanted to ensure that specific measures they were planning to take were supported by the Government. In situations where statutes left agencies with discretionary powers they were often listening upwards, hoping to catch signals pointing out in which direction to go. Further, agencies’ roles and long-range planning were often discussed informally between agencies and ministries, at both top level and lower levels. The aim was to find a common view on what problems looked like, what was important, and which kinds of activities to prioritize. Sometimes informal contacts were also used by the ministries to steer agencies more directly. The aim could be to change agencies’ ways of prioritizing, their ways of taking decisions in specific matters, or their treatment of citizens and organizations. And often the agencies were receptive and eager to change in order to act more in line with the Government’s wishes and desires.

It should be noted that regardless of which these different steering and control techniques the politicians used, they typically re-acted to other actors’ demands for action. These demands came from a variety of actors, but were mostly national in nature. They came from *Swedish* companies, municipalities, voluntary organizations, media, opposition parties, and state agencies. This did not mean that the politicians merely acted as ‘instruments’ in the hands of other actors. The demands directed towards the politicians were to a large extent an intended outcome of how different

issue-fields in society had been organized – by the politicians. Thus, ministers re-acted to demands that they themselves had taken part in creating. This also reduced the risk that the demands would collide head-on with more fundamental opinions and values held by the politicians.

If we summarize how this traditional ‘agencified’ Swedish administrative system managed to strike a balance between autonomy and control, three factors can be stressed. *First*, politicians mainly used softer forms of governing. When trying to control and steer an agency, ministers typically did not try to dictate what specific measures to take or what specific goals to attain (even though program budgeting and management by objectives already had been introduced). Rather, they asked what properties needed to be built into the agency to secure its ability to orient and adapt to changing conditions in its surrounding environment. And this was accomplished by (re)organizing activities and actors within the agency’s issue-field and by ‘talk’ intended to change prevailing notions of problems and solutions.

*Second*, typically ministers were struggling to keep away from day-to-day activities handled by agencies. The demands for action put on them by journalists, organizations, the opposition, and others made it much easier for ministers to get involved in specific issues than to keep them at arm’s length. The Government was constantly threatened by overload. However, often ministers managed to protect themselves by referring to the constitution. In practice, detailed control of specific issues was quite rare, and ministers seldom came close to issues where involvement could be seen as constitutionally dubious. Here, the ministers were helped by the vague constitutional regulation of the dualism and by the fact that many journalists didn’t know how to interpret it.

*Third*, responsiveness was high in the system. Agencies were anxious to find out and act in accordance with the ministers’ and the Government’s wishes and desires, and ministers were responsive to demands from below. Informal contacts between ministries and agencies were frequent (among officials), and the system was mainly based on trust. Officials in both ministries and agencies had a strong notion of when issues became politically ‘hot’ and needed to be ‘hoisted up’ to the political level.

Looking at these three factors we can, with reference to the governance literature, say that Swedish politicians were acting pretty much as ‘meta governors’ (Jessop 2002; Sørensen 2006, 2006a; Bell and Park 2006).

### **3. Changed Conditions in Recent Years**

In recent years several important societal changes have occurred that have influenced the balance between autonomy and control and politicians' possibilities to act as 'meta governors'. In this and the next section we will describe and discuss the consequences of three such changes: the internationalization, managerialization, and medialization of the Swedish state.

### *Internationalization and europeanization of the state*

In recent years states have become more and more internationalized and europeanized. This is expressed through an increased amount of transnational ideas, contacts, regulations, and organizational arrangements. Some scholars maintain that these changes only have had limited affects on states, and that the most important decisions still are made by states in national policy processes (see e.g. Leonard 2005; Putnam 1988; Milward 1992; Moravscik 1993). They (still) perceive states as highly autonomous, coherent and sovereign. However, we believe that internationalization and europeanization processes make states less autonomous, less coherent and less sovereign. Below we shall elaborate on this.<sup>10</sup>

*Firstly*, states often are perceived as *autonomous*. They are seen as well-defined in relation to other states and to other national actors. States are also, according to this idea, actors who know who they are and what they want. 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 this idea of states as autonomous actors. During recent decades the Swedish state has become deeply embedded in a European and a wider international context. Agencies and ministries within all policy areas, and at all levels, 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 Swedish ministry or agency can be describe as being totally unaffected by the EU. Many of them 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 matters. It is obvious that European networks have become an important part of Swedish state officials' everyday work.

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<sup>10</sup> The arguments in this section are further elaborated in Jacobsson and Sundström (2006)

Further, in these networks, Swedish interests – or ‘points of view’ – are constantly sought out. However, Swedish officials attending meetings in different EU organizations often do not have that well defined ‘points of view’ (Larue 2006). Instead, ideas about what is desirable and what is possible are created in the networks as processes evolve; we learn as Swedes who we are, what we want, and what is possible to do in the exchanges with other European actors. In short, the Swedish state has become more embedded (and less autonomous).

*Secondly*, states are often perceived as *coherent*. They are believed to be able to ‘speak with one voice’ when interacting with other actors – especially 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.

Our studies of the Swedish state show that the coherence of the state is seriously challenged as it becomes more embedded in the EU and the wider international community. There are tendencies toward fragmentation. This is partly due to a number of practical obstacles connected to EU related work, such as heavy work loads, short time limits, and long physical distances between politicians and officials. Due to EU’s poly-centric character and the fact that EU’s policy processes often involve a lot of actors, and a lot of actors of different kind, it is also difficult to supervise all ongoing activities and processes within the EU.

Fragmentation can also 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 tend to 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 (Vifell 2006; Kohler-Koch 1996; Slaughter 2005).

Further, in the EU great importance is ascribed to expertise (Radaelli 1999). This 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, our studies show that Swedish agencies to an increasing extent organize their activities based on how different EU organizations and agencies in other EU states that they are working close with are organized. They are also educating their staff about these foreign organizations’ ways

of thinking, working and organizing. In this way Swedish agencies adapt more and more to, and learn more and more about, their specific policy area, but not about other EU related policy areas and how Swedish notions of problems, strategies and policies looks like there.

Overall, with internationalization follows different forces pulling the state in different directions – both vertically and horizontally – and challenging the idea of the state as a coherent and well-coordinated actor. In short, the Swedish state has become more fragmented (and less coherent).

*Thirdly*, states are often perceived as sovereign. A dominating idea in democracies is that the collective of citizens is self governing, and thus that the state is the superior *rule maker* in society. This conception is also challenged in this paper. Internationalization means that states to an increasing extent are following and legitimating rules worked out by other actors (Levi-Faur 2005; Jacobsson and Sahlin-Andersson 2006; Djelic and Sahlin-Andersson 2006). For EU members this is apparent; they have to meet different kinds of rules (criteria) to become EU members, and as members they have to follow formal rules decided by the EU. However, today states are also surrounded by an increasing amount of informal or ‘soft’ rules; that is rules which come in the form of advice, standards, goals, guidelines, etc. (Brunsson and Jacobsson 2000; Mörth 2004).

These soft rules are often 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. The Bologna process is one example. New Public Management is another. In both cases the rules are free to follow, but in practice very hard to resist.

One reason for this pressure towards convergence is that soft rules often have strong advocates (Pal 2006; Slaughter 2005; Dahl 2007). They are 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. Amnesty International, Greenpeace and Transparency International are examples of such inquisitorial organizations. Also, during the 1980s and the 1990s, there was an increase – both in Sweden and in other countries – in state agencies specialized in auditing, evaluating, and supervising other state agencies (Hood et al. 1999). Many of these agencies

follow international rules or national rules which originate from international rules.

Soft rules are also often 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. For example, OECD has acted as ‘host’ within the Public Management Policy (PMP) area and has brought forward New Public Management (NPM) ideas and methods for many years. The OECD has neither worked out rules, nor conducted formal evaluations. Instead it has put together knowledge and experience about how different NPM 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).

Thus, there are several strong forces pushing states to follow soft rules. At the same time it should be noted that these rules often leave a great deal of room for states to decide how to implement them. And states – and parts of states – chose to follow rules in different ways, depending on how existing national ideas and rules fit ideas and rules coming from outside the state.<sup>11</sup> However, even if we do not believe the states are ruled 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).

### ***Managerialization of the state***

As was hinted above New Public Management (NPM) ideas and techniques have been introduced in several states in the western world during the 1980s and 1990s (Hood 1991; Christiansen and Lægreid 2007, 2001; Lane 2000; Barzelay 2001; Bouckaert & Pollitt 2004). Sweden is no exception. On the contrary, Sweden is often pointed out as one of the leaders of the NPM movement, at least regarding the development and implementation of modern management and accounting techniques, especially management by results. Sweden has been more cautious to embrace the more neo-liberal parts of the NPM package.

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<sup>11</sup> For example, in our research we could see that the adaptation process at least initially was reluctant in one policy area (work environment), benevolent in another area (drug control), and rather passive in a third (competition policy). We could also see that the agencies within these three policy areas used different methods either to embrace new rules or to keep them away (Jacobsson and Sundström, 2006).



The relatively quick (and uncritical) introduction of NPM ideas and techniques in Sweden during the last 20 years can be explained by at least three factors. Firstly, which was mentioned above, NPM has been brought forward and supported by numerous international organizations. Here, OECD, and its department for public management policy (first PUMA then SIGMA), stands out as the most important actor. But OECD has been accompanied by other actors, such as social scientists (especially from the management discipline), consulting firms, and standardizing organizations.

Secondly, just like in many other OECD countries public management policy (PMP) has become a much more distinct policy field in Sweden during recent years (Premfors et. al 2003; Barzelay 2001a). Starting in the late 1970s the field has been consolidated through a variety of institutional arrangements on national level, such as PMP departments, PMP agencies, PMP programs, PMP commissions, PMP ministers etc. This strengthened infrastructure meant that new PMP ideas and techniques (such as NPM) could be developed and introduced much quicker and with greater force during the 1980s and 1990s compared to earlier periods.

Thirdly, managerialization has a quite interesting history in Sweden going back to the early 1960s, when program budgeting was introduced into the Swedish state (Sundström 2006). Program budgeting, which has striking similarities with management by results, was developed and introduced by two extremely strong agencies – the National Audit Office (Riksrevisionsverket) and the Swedish Agency for Public Management (Statskontoret) – in cooperation with the Budget Department within the Ministry of Finance. These agencies were actually built in the early 1960s with the specific task to develop, introduce and refine new and modern management and accounting techniques. And they saw a chance to fulfill that task when they imported program budgeting from the USA in 1962. During the 1960s and the 1970s they invested heavily in control and accounting techniques emanating from program budgeting. This meant that the adaptation of NPM ideas and techniques went quite smoothly when they became fashionable in the 1980s. Not only because many of the ‘new’ NPM ideas and techniques in fact already were in place and deeply institutionalized, but also because the two responsible agencies had strong incentives to push for the managerial reforms – it gave them plenty of work, a good share of prestige, and credit for the work they had done in the past. The financial crisis in the beginning of the 1990s also made it particularly difficult to object measures that promised solutions to the financial problems. Internationally, public management policies in the Swedish state

were described as highly modern and moving with the times, something which also was used as an argument in favor of further NPM reforms.

Which are then the most important ideas that have followed with the introduction of NPM in an agencification perspective? We would like to point out two. Firstly, NPM tells us that politicians should focus on formulating general goals and let public officials decide how to achieve them. Decisions about how to organize agencies, where to locate them, who to recruit, which competences to strengthen, who to collaborate and coordinate with and so on, are seen as a-political – as administration. The message is clear: a ‘modern’ politician should not meddle in administration. Consequently, these kinds of decisions have gradually been delegated from the Government and the ministries to the agencies during the 1980s and the 1990s.

Secondly, NPM relies heavily on performance measurement and accounting techniques. It tells us that agencies must be steered and controlled: constantly and in detail. Otherwise they will – and here the public choice theories on which the NPM ideas are based are shining through – run off doing things contrary to wishes and desires held by the elected politicians. Thus, the Government must specify, through formulation of objectives and results requirements, exactly what each agency (and each department within each agency) should do and accomplish during the next year.<sup>12</sup> It must also specify, through formulation of reporting requirements, exactly which information about results each agency should provide the ministry with each year. According to NPM agencies must generally be controlled and followed up closely. During the 1980s and the 1990s, the National Audit Office and The Swedish Agency for Public Management have worked very hard trying to implement this kind control system – just like other states Sweden has developed to an ‘audit society’ (Power 1997).

On the whole, the managerialization of the state has meant that agencies gradually have transformed into ‘normal’ organizations, with the private company looked upon as “the more beautiful sister” (Czarniawska 1985). Today, agencies have their own goals, their own long term plans, their own recruitment policies, their own localization plans, their own logos, their own home pages etc. And even if it has been difficult to use the vocabulary used in companies in a clear-cut way (profits, customers, financial accounts etc.), attempts have certainly been made. It might be that many of these attempts only have taking place on the surface. Still, and more importantly, most

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<sup>12</sup> Objectives should include both activities and outcomes, and they should be as precise as possible, preferably measurable and time specified (see e.g. De Bruijn 2002).

agencies have been permeated by the underlying organizational logic. Their identities have gradually changed (Brunsson and Sahlin-Andersson 2000).

### ***Medialization of the state***

In recent decades we have also witnessed a medialization of politics. This means that, from a situation where media primarily was trying to describe political events it has to an increasing extent become a) a channel for political communication, b) an independent political actor in itself, and c) an actor to which politicians and officials must adapt (Nilsson and Sjölin 2005; Strömbäck 2000).

In the case of the Swedish state the medialization started to accelerate in the mid 1970s. Up till then the core executive had been a quite secluded world (Premfors and Sundström 2007). This change was connected to a change of Government in 1976. For the first time in over forty years a coalition of non-Socialist parties formed a Government. The hard negotiations preceding the formation of the Government, as well as the dramatic fall of the Government in 1978, was followed by the media in detail from day to day, or even from hour to hour, often live. During these years journalists also started to write books in which the life inside the Government Office was described in detail (Hammerich 1977, Leijonhufvud 1979; Svenstedt 1981). Things that previously had been secret, or at least respectfully left alone, suddenly became wide open. Ministers were expected to be available more hours of the day and make more statements about more kinds of issues. The former Prime Minister Göran Persson (1996-2006) has declared that he could have ten press meetings and a couple of longer interviews during a normal week. And he estimates that he on average spent one hour a day in interviews (Persson 2004).

This increased openness was concurrent with a new media style (Hadenius 1990; Björk 2006). During the 1980s and 1990s, journalists to an increasing extent came to see as their main task to scrutinize politicians in power. It became more obvious that journalists' digging and revealing could start processes which could end up with politicians and officials being forced to resign from their posts (Petersson et. al 2005). And such resignations were the result of shortcomings connected not only to political decisions but to an increasing extent also to their behavior in general. It became harder to draw a clear line between their public and privat life (Nilsson and Sjölin 2005). Today, informants working inside the Government Office claim that journalists are visiting the Government Office on a daily basis scrutinizing receipts and representation accounts in pursuit of yet another scandal.

As mass media has increased its power to control the political agenda politicians have become more aware of their relations to the media. Today, dealing with the media is a natural ingredient of the work of every ministry and agency, or even every department with ministries and agencies. Our studies show that the Government has tried to handle media's increased power in two ways (Premfors and Sundström 2007). Firstly, it has recruited professionals of different kinds: press secretaries, press assistants, political advisers, 'spin doctors' etc. For example, in the beginning of the 1970s there was only one press secretary working inside the Government Office. Today they are about thirty. And in 1996 when Göran Persson became Prime Minister there was only one press secretary working inside the Prime Minister's office. Ten years later, when he resigned, he had six people by his side working exclusively with media related issues.

These professionals are helping politicians to wrap up their political messages so that they are presented at the right time, at the right place, in the right way. Indeed, officials working inside the Government Office tell us that there is soon no room left for proposals and measures that cannot be presented in attractive press releases (*ibid.*). An ever growing amount of press releases, press conferences, information folders, as well as the expansion of home pages and the introduction of the 'Swedish Government Office's Yearbook' in 1998, show the importance of presenting Government policies in an attractive and powerful manner. It should also be noted, that media experience has become a much more important criterion in recent years when Swedish Prime Ministers are recruiting ministers. An increasing number of ministers, and state secretaries, have experience of work in the media sector.

Thus, the Government has tried to handle media in an active way, by recruiting professionals and establishing strategies to influence the media in order to get their political messages out. However, our studies also show that it has adapted a more passive strategy. At the same time as the contacts between professional press people and the media have increased journalists are finding it harder to get in touch with officials at lower levels inside the ministries. Studies show that the officials' contacts with media have decreased quite dramatically between 1980 and 2005 (Premfors and Sundström 2007).

Media's intensified scrutinizing has also affected the way the Cabinet works. Especially during Göran Persson's time as Prime Minister discussions and decisions were gradually removed from the Cabinet's collective meetings. Persson preferred to have discussions in smaller and more informal groups (Isaksson 1999 p. 113; Eriksson and Olsson 2005).

This can partly be explained by the fact that things that were said in confidence during a Cabinet meeting quickly ended up in media. Persson declared that he was markedly disturbed by this “leakage risk”, as he called it (Fichtelius 2007 pp. 56; Svenning 2005 p. 133).

Thus, the medalization of the Swedish Government Office has meant that ministries have become both more open and more closed. The openness is expressed through intensified (and more controlled) contacts between the media and professional media people at the top of the ministries and through an increased amount of information folders, home pages, year books, and a new information centre. The Office is becoming more closed in the sense that it has become harder to get in touch with officials at lower levels handling specific issues and programs.

#### **4. Consequences for the Swedish Administrative Model**

If we want to understand the present struggle between autonomy and control it is essential to grasp the meaning of the developments described above. Earlier in this paper we maintained that the Swedish Government, in the late 1970s and early 1980s, acted very much as the ‘meta-governors’ described in contemporary governance literature. We concluded that the politicians managed to strike a balance between autonomy and control by 1) using a soft control strategy that can be called management by organizing; 2) generally keeping detailed issues at arm’s length; and 3) putting their trust in the responsiveness inherent in the administrative system, not least the hoisting mechanism. In our opinion all these three practices have been affected by the social changes discussed in the previous section. Below we shall discuss more precisely how.

##### ***Organizing the state***

Undoubtedly, it has become harder for Swedish politicians to govern agencies by using their power to organize. The internationalization of states is one reason. States’ transformation from rule makers to rule followers implies that the EU and other international organizations to an increasing extent decides – more or less directly and more or less formally – how different policy fields are to be organized on the national level; not only which formal statutes to implement, but also what kind of agencies to establish (e.g. their degree of autonomy towards politicians), what kind of actors to consult in decision making processes, what kind of plans to draw, what kind of accounting procedures to follow etc. In parallel with this, agencies are, as was mentioned earlier, to an increasing extent modeling

their ways of thinking, acting and organizing on the foreign organizations they are working together with.

Swedish politicians' ability to govern state agencies by using their power to organize has also been reduced by the managerialization of the state. As was mentioned in the previous section, one core idea in NPM is that it is possible to draw a clear line between policy formation (goals) and policy implementation (means), and that 'means' (e.g. decisions about how to organize agencies) should be delegated from politicians/ministries to officials/agencies. The problem with this delegation is neither that agencies have been given the room to develop their own agendas and fight for their views (this is actually what they should do!<sup>13</sup>) nor that they are trying to be as effective and efficient as possible, but rather that the importance of using the power to organize when trying to govern state agencies has been forgotten in the process. In our opinion the capacity to govern has gradually been designed out of Government. A number of effective control methods (the power to set up new departments inside agencies, to recruit people to agencies, to construct educational programs for agency officials etc.) have been traded for a number of quite ineffective control methods (goal documents, detailed accounting reports, long term plans etc.) in the recurrent attempts to managerialize the state.

In contrast to the case of joining the EU, where Swedish politicians consciously made some kind of trade-off between autonomy and control, the loss of control capacity that has followed from the managerialization of the state has to a large extent been unintended. This has partly to do with the popularity of the NPM ideas. During the 1980s and 1990s they were highly institutionalized; that is taken-for-granted, and extremely difficult to oppose. If you were an enemy of NPM reforms, you were almost thought of as an enemy of progress. Of course, this made responsible politicians, who happened to be a bit skeptical, unwilling to march off to battle.<sup>14</sup>

Another important reason for the limited consciousness among politicians, that they actually have been trading effective control methods for ineffective ones when implementing NPM, was the way in which the implementation of NPM reforms was organized. As was described earlier, according to NPM politicians should only deal with visions and goals while leaving the choice of means to those who know best how to achieve them;

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<sup>13</sup> At least as long as they are fighting for their *views* and not their *turfs* (for a discussion on the difference between views and turfs see Page 2005).

<sup>14</sup> NPM's high degree of institutionalization is shown by the fact that responsible reformers in Sweden themselves haven't practiced what they have preached. Thus, the process of introducing management by results in the Swedish state has not been managed through any deeper considerations about the results of the reform (Sundström 2006).

that is, to professionals in executive agencies. And of course, this idea should apply also for the field of public management policies. Consequently, politicians were cut off from the implementation process of NPM reforms. The important task to assess and evaluate the ‘new’ popular managerial techniques was handed over to the already redeemed National Audit Office and The Swedish Agency for Public Management. And they had no problems establishing their ways of thinking and talking about politics and administration, neither in the Government nor in the Parliament. One could say that managerialism ‘crowded out’ softer perspectives on governing. The strong focus on NPM ideas and techniques made all other discussions about how to reform and control the state virtually non-existent. The managerial and organizational logic came totally to dominate the discussion.

### *Keeping issues at arm’s length*

The internationalization, managerialization, and medialization of the state have made it harder for politicians to keep issues at arm’s length. They have all contributed to an increased demand for policies, in the form of authoritative statements, detailed directives and goals. Sweden’s membership in the EU (and other international organizations) has meant that Swedish ministers more systematically and more often than ever before are trying to formulate, on paper, what we want as ‘Swedes’. Such ‘points of view’ – which can be on a most detailed level – are to be presented each and every day by Swedish officials on hundreds of meetings in the EU and elsewhere around the world. Management by results has worked in the same direction. Never before have Swedish politicians in such a systematic way and on such a detailed level been requested – or ordered – to formulate performance goals and result requirements in different budget documents as they are today. Likewise, medialization has increased the demands for policies. Journalists’ attendance of ministers, and their demand for opinions and statements on all possible (and impossible) issues, has never been more intense than now. Politicians are finding it increasingly harder to dictate which issues to discuss, at what time and in what way. Media is doing the calls.

How, then, has the Swedish Government reacted to this increased demand for (detailed) policies? Apparently, it has tried to meet it with an increased supply. That is at least one way to interpret the strong efforts during recent years to develop and implement rationalistic steering and control models like management by results. It is however clear, that the Government has been unable to actually produce policies to the extent called for by these models. Instead, the Government has become overloaded. The

managerial reforms have resulted in a situation where lots and lots of information (rationally organized and presented, of course) are produced by agencies, and are sent to the ministries. In the ministries, they seldom know what to do with the information – in spite of the fact that this is information that they formally themselves have demanded (Sundström 2006). In an attempt to solve this problem and make sure that the information is properly analyzed and used when deciding on new goals the Government has enlarged the ministries (Premfors and Sundström 2007). In terms of percentage the Government Office has swelled more than any other state agency in Sweden in recent years. However, this has only caused new governing problems. It has become much harder for ministers to survey the ministries, and thereby also the agencies. It has also become harder to uphold trustful relations between politicians and officials, because such relations require that politicians and officials can meet on a regular basis and informally, which in turn requires a limited core executive (more about trust below). There is no evidence that this massive expansion of managerial methods and techniques has increased the capacities to control agencies. The control systems offer rationality and produces comfort, but they can to a large extent be seen as rituals, highly de-coupled from the actual work within ministries and agencies.

On the whole, it has become harder for ministers to keep away from details. This is problematic for politicians who want to act as ‘meta governors’. Acting like such requires that politicians to some extent can choose what to make politics of. That, in turn, requires that not too many issues are at the Government’s agenda at the same time. Keeping issues close does not necessarily facilitate control. A Government which has its administration only at finger’s length is, for reasons that are well known in public management theories, running the risk of becoming its prisoner. Thus, delegation is important. The Government needs to reduce the amount of detailed issues ending up in its lap. In complex organizations, you always have a choice between, on the one hand, trying to increase the capacities to control and, on the other hand, to reduce the necessities to control. Swedish politicians have tried to accomplish the first of these two strategies. This is, in our view, a mistake. Reducing the need to control is undoubtedly a difficult task, but that should not prevent the Government from trying.

### *Putting trust in responsiveness*

An important ingredient in the governing strategies during the 1970s and 1980s was what we earlier referred to as the hoisting mechanism. This mechanism ensured – to a certain degree at least – that issues that previously



had been delegated to lower administrative levels came back to the politicians as soon as they became politically interesting. Thus, issues were at arm's length, but also at arm's reach.

The hoisting mechanism worked in two ways. Firstly, as was mentioned earlier, officials inside both agencies and ministries had quite good notions of when issues needed to be anchored among the politicians. Their role perception included a good share of responsiveness and trust. Secondly, often the Government organized agencies so that their fields of responsibility became partly overlapping, and it could declare that agencies with overlapping fields should be in agreement before decisions were made.<sup>15</sup> In this way agencies controlled each other. And if two agencies were unable to agree on an issue it was hoisted to the two ministries to which they were subordinated. If the officials within the ministries also were unable to solve the issue, it was hoisted to the political level and sometimes all the way up to the Government and the prime minister. Thus, responsiveness was built into the administrative apparatus. And as was mentioned earlier, issues that were hoisted to the Government Office, and to the Government, seldom came as a surprise. To a considerable extent they were hoisted as a result of the way different issue-fields had been organized – by the Government.

There is still a lot of responsiveness and trust in the Swedish administrative system, but the institutional changes that have occurred during recent years have weakened this. Again, Europeanization is an important factor. Today, Swedish politicians must react to issues that originate from a system of actors, rules and procedures that they have not themselves formed. They have much less control over which kinds of issues are running the risk of being hoisted, and when. And there is a much greater risk that issues which are hoisted to the Government Office will be at odds with fundamental ideas and values held by the Swedish Government and the Swedish people.

The hoisting mechanism has also been weakened by the fact that the Government has lost its power to organize. It has become harder to design policy fields so that different agencies are connected to each other in an intelligent way. This is not only because the Government has delegated the power to organize agencies, but also because the strong emphasis on accountability in recent years has counteracted ideas about pluralism, duplications and redundancy. In the 'audit society' order and responsibility

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<sup>15</sup> This is a general and formal rule within the Swedish Government Office. Thus, a ministry which is responsible for a specific issue should before taking a decision not only hear but also be in agreement with other ministries that are affected by the issue.

lines should be as straight and simple as possible to be able to point out who has done what and who is responsible and accountable for what.

Further, the introduction and frequent use of managerialism – especially its inherent tendency to look upon state agencies as ‘normal’ organizations – has resulted in a situation where most agencies tend to focus on what is best for them, and not for the state as a whole. In a situation where agencies have their own goals, their own logos, their own long term plans, their own recruitment policies etc. it has become natural for them to maximize their own results. This is different from the older view, which claimed that agencies primarily should work together to solve problems.<sup>16</sup>

Even worse, perhaps, is that the persistent attempts to managerialize the state tend to weaken trust in the system. The all-pervading theme of these attempts has been to increase the possibilities of ministries to control agencies (with all the paraphernalia of managerial and financial accounting techniques), with the underlying rationale that officials otherwise will try to realize their own personal goals (instead of the collective goals in government). These managerial reforms express the idea that ministries, as ‘principals’, have to make sure that agencies, as ‘agents’, behave; politicians and officials are seen as opponents (see e.g. Molander et al. 2002). The reforms send the signal that officials shouldn’t do anything without first receiving unambiguous assignments and clear goals from the politicians, and without making clear (in different planning documents) exactly how their planned activities will contribute to goal fulfilments, and later when the task is done specifying (in different reports on results) if and how their activities contributed to goal fulfilments. This is certainly not a system based on trust, but on distrust. And in such an environment values such as power of initiative, new thinking, flexibility, and integrity will not grow easily. This is problematic. In the internationalized world policy processes are becoming more and more complex and ambiguous. Interests and goals are to an increasing extent shaped and reshaped in meetings between different actors on different levels, as policy processes evolve. And we believe that it is important that state officials are active, seeking, responsive, and apt to learn in these processes. That requires trust.

To sum up, the three factors that we claim characterized governing in the 1970s and 1980s have all weakened during recent years, due to the internationalization, managerialization, and medialization of the state. Control and steering methods have become less soft, tighter control systems

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<sup>16</sup> According to the old Swedish constitution from 1809 agencies were to “reach out for each others arms” in order to solve problems together. That precept was not put down in the present constitution from 1974.

have been introduced, control ambitions have become more all-encompassing, innovativeness and integrity has declined and trust has eroded. And as has been shown above, these changes are partly due to conscious reforms. Notably, the Swedish Government isn't the only one that has painted itself into a corner in this way. As Guy Peters puts it when discussing contemporary Governments' capacity to govern:

[M]any of the contemporary difficulties for political leaders have been designed into the reformed system of governing rather than represent the failure of the political apparatus to perform as designed, or rather to perform as assumed by the elected officials. Perhaps a better way of understanding these changes is that reforms have been based on a theory of governing very different to that which had previously been dominant (Peters 2004 p. 131).

However, as was mentioned above, we doubt that Swedish politicians have been that involved in the considerations and implementation of the managerial reforms. It has mainly been an affair for non-elected officials.

We want to point out that this paper is not to be interpreted as a celebration for 'the old ways'. We are not claiming that everything was better before, but rather that there are a lot of control and steering mechanisms in the relationship between agencies and ministries that have received poor attention – among both practitioners and scholars in public management. Many of these mechanisms are not the result of coherent and thoroughly worked out PMP programs. Rather, they have evolved gradually over time, in long historical processes. In contrast to more recent steering and control mechanisms, like management by results, these older mechanisms are subtle and elusive. But they have nevertheless managed to survive the modern and more rationalistic steering and control techniques. And the reason is that they are filling important functions. And we believe that instead of investing all resources on developing new and modern steering and control techniques, such as performance measurement, indicators, it can be worthwhile to think more systematically about these mechanisms.

## **5. From government to governance – or the other way around?**

We will end this paper by relating our findings to some ongoing discussions within the governance literature. 'From government to governance' is one of the catch phrases within contemporary social science (Kjær 2004; Sørensen and Torfing 2006). The most prominent idea within this perspective is that

previously established boundaries between different kinds of actors (private and public organizations, politicians and officials, states, etc.) are dissolving and that more network-based forms for decision making is replacing more hierarchical ones.

Our studies confirm that quite spectacular changes have taken place in the Swedish central administration during recent decades. 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 and is regulating. In practice, decision making procedures as well as contact patterns, ways of organizing, competences, values etc. have changed. And even though we maintain that the Swedish administration to a considerable extent was working in network-based forms, marked by ambiguity and complexity, already in the late 1970s and early 1980s such working forms have undoubtedly become more prominent.

Thus, practices have changed. And to us, it seems more urgent than ever to think in new and slightly less biased ways about how to govern the state. Here, formal steering models like management by results stand out as obsolete. They are based on ideas about hierarchy, central planning and narrow control techniques, anchored in epistemological and ontological assumptions about policy processes, and actors within them, that became popular already in the days of program budgeting – and which recurrently have been proven doubtful.

However, the Swedish public management policy in general – and control strategies in particular – have not changed. Responsible politicians and agencies have repeatedly maintained that established control and steering methods not only can be used in the new political landscape, but also that they will strengthen the Government's ability to control agencies (Sundström and Jacobsson 2007). No actor responsible for Swedish public management policies has suggested that the Swedish state faces new and profound challenges that require new ways of thinking about governing strategies and the balance between autonomy and control. Instead, they have tried to uphold the balance by strengthening established control and steering methods even further.

The strengthening of NPM techniques and the introduction and development of management by results, with its thoroughly elaborated techniques for managerial accounting and financial accounting, can be interpreted as a strengthening of what is referred to as 'government' in the governance literature. Thus, one could place a (quite large) question mark alongside the statement that there has been a shift from government to

governance during recent years. It might be true when looking at state *practices*, but regarding ways of *thinking* about the state and how to balance between control and autonomy it seems – at least in the Swedish case – that it is more appropriate to argue the opposite; the ‘government’ aspect has been accentuated.

Theoretically we find this development quite interesting. According to (some strands of) institutional theory, organizations exposed to new external demands will answer by creating structures and procedures that give the impression that demands are met, at the same time as practices continue as before (Meyer and Rowan 1977). Following this, we should expect to find a de-coupling between (stable) practices and (changeable) presentations of these practices. But in this case it is the other way around: the presentation is stable, while practices are changing.

How can this inverted de-coupling be understood? Our explanation is that the legitimacy of the political and administrative system, as well as of welfare state arrangements in general, is high in Sweden. It seems that established Swedish institutions – of which the rationalistic steering model is one<sup>17</sup> – have greater legitimacy than institutional changes emanating from the EU. Therefore, it may be quite dangerous for politicians to argue that the Swedish state is in a process of Europeanization and that the Swedish state needs to be reformed due to the EU membership.

Indeed, the Swedish Government has adopted different strategies in order to downplay the importance of Sweden’s membership in the EU. A first strategy has been to maintain that Sweden is only affected to a limited extent by the EU; ongoing processes in the European Union have been presented as something remote and quite inconsequential. A second strategy has been to maintain that Sweden can ‘pick and choose’ what to adopt from the EU. A third line of argumentation has been to claim that it is possible, if we are able to coordinate actions and speak with one voice, to influence decision-making processes in the EU where we want to and when we want to. A fourth strategy has been to claim that EU’s ideas and ambitions to a large

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<sup>17</sup> As we have been arguing in this paper, *in practice* the government has been using softer forms of governing for many years. However, these forms have not been thought of and developed systematically. Instead they have been developed gradually in a historical process and been used ad hoc. Swedish PMP agencies see these softer forms of governing as irrational and messy. To them a characteristic of the Swedish administrative model to be proud of is the well developed managerial system, especially management by results.

extent correspond with Swedish ideas and ambitions, and that a membership consequently is not a particularly risky undertaking.<sup>18</sup>

In the Swedish case, legitimacy has to a considerable extent been justified by connecting to the past (Lynn 2006; Mahoney and Rueschemeyer 2003). It has been searched for in history, in established institutions, sometimes hundreds of years old. The European Union, including all the good initiatives as well as the absurdities emanating from Brussels, has seldom been looked upon as something to embrace and celebrate, but rather as something that should be kept at a distance. The mantra has often been repeated: nothing has to change since the existing system is a well functioning one. However, as we have claimed here, this position is hardly defensible any longer. The European Union re-shapes the nation-state. In most fields, preferences and policies are shaped in European (and sometimes in transnational) networks. We believe that this necessitates extensive discussions about the future (as well as the history) of the Swedish administrative model.

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<sup>18</sup> 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. For a more elaborated discussion of these arguments, see Sundström and Jacobsson 2007.

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