Local governments and institutional change

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- Swedish experiences

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There is a tendency to constantly portray public organizations as being in a state of flux. Local government organizations in Sweden are said to be in a period of significant change. Claims that radical change is in progress have, however, been made all along. Despite officious rhetoric about new ages dawning, organizational change often occurs gradually and in small steps. Roads from ambitions to results are often long and winding (Pressman and Wildavsky 1973, Caiden 1991). Indeed, reforms in organizations need not even result in change. Effective rhetoric can take the place completely of change in practice (Edelman 1971). It could be easier to change the image people get of an organization than to change the actual activities of that organization (Brunsson and Olsen 1993).

This article explains processes of modernization in Swedish local governments. The image proposed is not one of organizational "talk without action", but rather one where organizations, both at discursive and operative levels, have severe difficulties in resisting modern ideas. Powerful ideas, dressed and disguised as standard solutions and good government practices, travel (business class, of course) between nations, sectors and organizations. Local government organizations are easy targets and standard solutions permeate organizations at all levels. Even in the absence of formal State authority, there are significant others producing and distributing such solutions. These others include interest organizations, professions, organizational consultants, specific state organizations and the social sciences.

I will explain the mechanisms through which ideas about new forms of organizing and control arrive in the local governments. The theoretical ideas borrow substantially from institutional organization theory (Meyer and Rowan 1977, Scott and Meyer 1994). The focus is on multiple governance structures. Governance is a wider concept than government (Rosenau 1992), since it "... refers to shared goals that may or may not derive from legal and formally prescribed responsibilities and that do not necessarily rely on police powers to overcome defiance and attain compliance" (Rosenau 1992, p 4). It includes government organisations but also non-governmental mechanisms. The focus is on regulatory mechanisms which function effectively (create order) even in the absence of formal governmental authority.

Initially in the paper, I will discuss the content of administrative changes in Swedish local governments and their potential consequences. It should, however, be made clear that what is taking place in Swedish local governments resemble activities taking place at the same time in other European countries. Since the early eighties, there have been
strong attempts, maybe most explicit in Britain, to introduce what has been labeled a "new public management", including increased use of performance measures, stronger emphasis on results, creation of autonomous units that can not be directly controlled by politicians, more of competition and a general stress on managerialism (Hood 1991). However, while the Swedish system of local governments builds on autonomous local units, the British model have (by a German) been described as much more "... a system of chainstores owned and controlled by a national trust than a system of independent local government (Wegener 1995).

Germany has often been seen as a reluctant modernizer, but interestingly enough we can observe changes going on at the local level. Much more than is taking place in the federal administration. These changes in German local governments are not directed from the federal level, but seem to have developed mainly through influences from organizations as the KGSt (Kommunale Gemeinschaftstelle für Verwaltungsvereinfachung), which is a consultant agency sponsored by cities and counties (Schröter and Wollman 1995, Reichard 1994). This organization have been succesful in connecting Germany to the European discourse about public management reforms.

Interestingly enough, the German model proposed by the KGSt - the Neues Steuerungsmodell - was imported from Tilburg in the Netherlands. A large number of German authorities copied the recommendations from KGSt which, thus, earlier had been copied from Tilburg, which earlier had been copied from private sector management. This German model includes some of the main concepts from the British "new public management". The keywords have been presented as accountability, budgeting with lump sums, product orientation, quality management and corporatization (Reichard 1995). Also influential for reform in Germany has been competitions for excellence in local government sponsored both by Bertelsmann Stiftung and by Speyer Hochschule für Verwaltungswissenschaften (Schröter and Wollman 1995).

There are similarities between Sweden and Germany, but comparisons between countries are not the focus here. The German example, however, seems to illustrate that modernization and the spread of new ideas can take place even in the absence of an authoritative centre. Governance more than governments. Ideas of change were not imposed by the federal government, but they arrived in local governments through other governance structures: the association of local governments, private consultants, private organizations and the social sciences. And once established, the ideas spread - and this is a metaphor used by German observers - like a bush-fire. The ambition, in this article, is to explain the mechanisms through which new ideas arrive in local governments in Sweden. A reasonable guess is, however, that these explanations could probably be applicable in more than one national context.
Fragments of a history

Initially, I will provide an abridged historical overview of the rhetoric of reforms in Swedish local governments. These organizations have always had a high degree of autonomy relating to the State. In spite of this - or maybe to celebrate this constitutional dictum - a prominent reform idea during the last decades in the field of Swedish public organizations has been deregulation. With less State regulation, local government organizations are supposed to be able choose the solutions that are best for themselves.

Swedish public expenditures are among the largest in the world, and there has been considerable, though not complete, consensus concerning the expansion of the welfare state. The task of politics has long been regarded as that of dealing, by means of new laws, new programs, provisions of new services and, consequently, higher taxes, with basic problems to which public attention has been drawn. Politicians have responded to the demands of citizens and the demands of interest groups, claiming that things must be done. The political system has been responsive, and this responsiveness have also increased the public's expectations of what was considered possible. And it long appeared that virtually everything was possible.

Swedish local governments - with a tradition of self government ever since the Middle Ages - were to implement most of the new programs and they were the ones to provide services. They were, by the State, given the task of making the good society possible. It was within the municipalities and county councils that the core of welfare production, i.e. of education, health care, child care and care of the elderly, was found. This production of services was, however, supervised by the State. There were strong demands for uniformity. The demands for increased welfare production made it necessary to see to it that local governments became large and effective enough to handle such programs in an efficient and effective way.

After the second World War, the State initiated a program for reducing the number of municipalities. The program succeeded, resulting in a reduction from 2500 municipalities in 1951 to 280 in 1974. A certain minimum size, leadership capacity, etc. were seen as required for a municipality for it to be able to carry out the new tasks it was assigned. During the same period, the number of politically

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1 Local governments include both municipalities and county councils. There are 286 municipalities and 23 county councils in Sweden. Municipalities are responsible for schools, social services, care of the elderly, distribution of energy and water etc, and county councils are - mainly - responsible for provision of health care. Municipalities as well as county councils are headed by elected politicians. Municipalities as well as county councils are able to tax the people in their communities.
appointed leaders fell from 200,000 to 50,000. To a large extent, professionals replaced lay people. From the end of the 1970s on through the 1980s, this led to a debate concerning losses in democracy at the local level and discussions and investigations about what could be done to place decisions closer to the people.

Sweden, thus, went from a non-centralized system in which local units looked after their own affairs to a de-centralized one in which local units carried out the tasks that it was decided centrally they should perform (cf Meyer 19xx). Nevertheless, local governments were still, formally, independent units with their own taxation rights. Despite the demands for conformity the State placed on them, the conditions they faced, as well as the tasks they performed, varied between units. The debate regarding local democracy continued. It was argued, increasingly, that something vital had been lost with the disappearance of all the small municipalities.

In many municipalities, sub-municipal councils were introduced in efforts to strengthen local democracy. The experiment was also initiated of creating "free communes" which could apply for and be granted partial exemption from State regulation. Specific sectors, such as the schools, were de-regulated at the beginning of the 1990s. A new Local Government Act was passed by Parliament in 1991, which gave municipalities greater freedom than before to determine how their activities were to be organized and carried out. Regulation by the State was also subject to strong criticism, since the rules imposed made an effective control of activities at the local government level seem impossible.

The main rationale behind this State de-regulation, thus, had to do both with democracy and with efficiency in operations. De-regulation was part of an ambition to strengthen democracy at the local level, that is at a level where the distance between politicians and the people would be relatively short. The intention was also to increase efficiency in operations. Since local governments were thought to be different in certain aspects (politically, demographically, culturally etc), the idea was that they should be able to choose whatever they considered best for themselves. Each in their own ways, they were supposed to make the best choices possible.

However, one should be aware of that a large part of the activities in local governments are compulsory and imposed by the State. De-regulation has less been a matter of choosing what to do, than about choosing how to do it. There have also been a strong opinion that variations in financial conditions between local governments should not make too much of a difference. Therefore, State government has prepared a system where money would be distributed from those local governments with an advantageous tax-base to those with a less advantageous. Although some constitutional problems have appeared, this "Robin Hood-bill" will eventually be passed by Parliament.
Ideas that have arrived

The historical account provides a background to the processes of transformation now pervading local governments in Sweden. What is happening, then, at the local level? Those who are expecting an abundance of innovative and creative models of organizing and control based on local experiences may become somewhat disappointed. Experimentation is taking place, but these experiments usually seem to have a couple of elements in common (Jacobsson 1994). Variation may not be as high as expected.

Three frequently occurring elements in these reforms will be discussed below: first, the attempt to limit the influence of politicians; second, the attempt to establish some form of quasi-markets; and, third, the creation of formal organizations. This seems to be a triple vaccine offered to all (or, at least, to most) local governments as remedies against budget deficits, inefficiency and monopolistic rigidity. I will later come back to the interesting question: offered by whom?

Limiting the scope of politics

It has long appeared attractive to treat production and politics as being separate activities (Jacobsson 1984, March and Olsen 1989). One of the basic ideas in attempts to carry out local government reform has been to limit politicians in their control of production. The first way to achieve this is that people, as customers, control operations. They vote with their feet. The second way is that politicians as representatives of consumers, control production units on the basis of contracts. A very popular model for some years in Swedish local governments has been the purchaser-provider model, which is based on a clear separation of those who place orders and those who produce. Politicians should not be involved in production. The third way to achieve the separation is that politicians employ techniques such as management by objectives.

These various ways of thinking have as their source the time-honored view - and the likewise very old reform model stating - that politics and administration should be kept separate. Just as time-honored as these, however, is the idea that such a separation can seldom be achieved in practice. The democratic mission of politicians, as viewed traditionally, represents more than formulation of goals, establishing of contracts and evaluation of results. Characteristic of the traditional role is one of being sensitive to the needs and views of constituents, taking responsibility and becoming involved in the activities in question (Jacobsson 1989). Responsive politicians may possibly be what reformers wish to do away with, but if so, this means not a technical change
in the system of control but rather a basic change in the democratic system.

Practice also has a tendency to "hit back" when these models have been tried (Blomqvist 1994). A person dissatisfied with the system of medical care still complain directly to politicians. Anyone dissatisfied with the functioning of public schools may complain to those assumed to be responsible or to those to whom responsibility is delegated. To refer in a situation like this to the (usually highly attractive) goals of the activity in question is seldom sufficient. Thus, it is easiest to advocate such ideals as those of goal orientation, strategic thinking and maintenance of a long-term view if one does not attempt to introduce the models espousing them (Rombach 1991, Brunsson and Olsen 1993, chap. 3).

It is in genuine attempts to introduce the model of limited politics that reforms face the risk of becoming besmirched by the realities of daily practice. Only when the ideal is translated into reality do the shortcomings of the idealized conceptions become fully clear. In this sense, the big threat against management by objectives, purchaser-provider models and others occurs when one attempts to convert them into reality. It then becomes clear that responsibility, involvement and responsiveness to the needs and desires of constituents are likewise values to be considered in this context. The introduction of a model bears the seeds of its own failure (Brunsson and Olsen 1993).

One effect of the ideas about limiting the role of politicians could be that people get to look upon themselves differently, for instance as customers. If you consider yourself a customer, you tend to behave differently compared to if you consider yourself a citizen. If this identity-creation succeeds a change occurs, as exemplified by parents dissatisfied with one school for their child selecting another (voting with their feet) rather than complaining to politicians. In Sweden, one can also observe an increasing - if still rather limited - use of vouchers and an increasing emphasis on being able to choose freely between different producers (schools, physicians, etc.).

This does not, however, appear to result in the responsibility of politicians declining. Such freedom of choice alongside already established channels rather seems to represent a further exploitation of one's role of being a citizen. A parent dissatisfied with the school one's child attends may consider both selecting another school and complaining to one's elected politicians. Similarly, freedom in the choice of medical care does not mean relinquishing one's possibilities of influencing the medical care system through political means. The one does not preclude the other. Up till now, the new models seem to incorporate a new element into a basically political system.
Engineering quasi-markets

A second idea basic to efforts at reforms in Swedish local governments is the attempt to create some form of quasi-markets. The ideal conception of the market envisions, as we all know, a sovereign consumer who decides in a free and independent way whether or not to purchase a particular product, and consumers placing orders and producers adjusting their prices accordingly. The notion is that no producer has any sort of power, since there being so many producers means that none of them can affect the prices. Similarly, it is assumed that coordination occurs automatically via prices, and that prices come about through competition. The system is thought to be controlled by consumers, even if no single consumer possesses power to any degree. It is assumed that all actors are fully informed, that anyone can become established in the market and that the products are homogeneous.

There has been attempts at creating markets and quasi-market arrangements. One element has been to transfer services from the public to the private legal system, either through corporatization (bolagisering) or through privatization. Mostly this has taken place with utilities in the technical sector, that is energy-production, water and sewage, waste-collection etc. Municipalities in Sweden, however, have a long tradition in contracting-out such kind of services. Despite a lot of talk, it is rather unclear if there has been any substantial increase in such arrangements. We have also has an increase in private health-care and private schools, however still small and still financed by local governments.

In the school sector, there is a law that says that local governments have to pay a part of their costs of public schools to private schools that have been accredited by the National School Board. And parents could then choose between public and private schools. This has been a debated issue, and the amount of money that municipalities had to pay to private schools was after a period decreased from 85 to 75 %. One of the rational for this law is to increase variety and, consequently, freedom of choice. To achieve this, State government did not trust local government politicians, but they imposed a law that guaranteed the right to establish (some kinds of) private schools. This may be a sign that variation could only be achieved through centralized control (I will come back to that argument in the next section).

It is, of course, trivial to point out that the market-like arrangements created very seldom correspond to the image of a blind goddess Justitia whose judgments cannot be appealed (Hernes 1976, Brunsson and Hägg 1992). Books on politics and economics are filled with empirical arguments speaking against a pure market model. Markets are usually dependent on other institutions, for instance the State. Other images of markets than that of the fair judge or a blind goddess are
called for. A slightly more appropriate image of the market is markets as systems for information production.

The quasi-markets that reformers in local governments attempt to create are supposed to function as a form of information service. The outcome of the market games should provide central government with a better basis for decisions. The information produced, e.g. there being comparatively few persons wishing to purchase the services of a particular hospital clinic, do not lead automatically to the clinic being closed down, but rather to information about this being sent upwards in the system to those making decisions.

Signals from quasi-markets provide ammunition to be used in the political battles. Markets exhibit particular results (expressed in numerical terms) making it possible, for example, for politicians to close a hospital clinic in question. That is, at least, the idea. However, this usually seem to be very difficult. There has been cut-backs in local governments, but these have hardly been based on this kind of quasi-market information. There has also been an increase in productivity, but the explanation for this is highly debated. A general increase in "crisis-awareness" in the Swedish society has made a lot of things possible that earlier was unthinkable.²

The introduction of quasi-markets and new incentive structures may influence activities in a more indirect way, through changing identities. If one think of oneself as competing in a market, one tends to act differently. When economic historians discuss the conditions leading to a market being created, various such factors conducive to the creation of identity are also mentioned: the desire to engage in transactions, the sense of life involving competition, and a basic feeling of disloyalty towards others (cf Heilbroner 1962). It is assumed that one should do what is best for oneself. The attempt to buy for a low price and sell for a high is, by Heilbroner, viewed as a "pervasive and necessary aspect of social behavior".

It seems to be lessons like this that market engineers of the 1990s apparently wish to evoke in local governments. Current efforts represent the attempt to utilize the market as an instrument in the service of a planned economy (somewhat similar to the attempts to improve decision-making information through a PPBS-system that was tried in the late 1960s). According to the experience of quasi-markets this far, the creation of markets means not that the idea of a representative political system has been abandoned, but rather that an additional element is added to a basically political system. However,

² It is of course extremely difficult to isolate independent and dependent variables, that is hard to claim that the creation of quasi-markets resulted in an increase in productivity in hospitals even if both these factors did occur (markets were introduced and productivity did increase). Even those hospitals that did not modernize by the use of quasi-market models, witnessed a similar increase in productivity. Reform-advocates and reform-skeptics do not interpret the data in the same way.
there are aspects of quasi-market engineering that may create more individualistic identities than before.

Creating formal organizations: fostering accountability

After the 1994 election, which showed strong support for the Social Democratic Party, there has been a lot of talk about a return to the old way of organizing and controlling. There will also, probably, be a break in activities in some of the symbolically most prominent local governments (those that try everything at the same time), but otherwise it is difficult to guess what will happen. Some of the attempts in creating quasi-markets have also lead to difficult problems in terms of money, and consequently to discussions about somewhat tighter budgetary controls. Some of the county councils seem to gravitate towards a more centralized system with framework-budgets (and substantial cuts).

However, market engineers will probably be around also in the years to come. It is interesting to note that what market engineers are doing are not so much creating markets as creating organizations. A third idea fundamental to reforms, probably the most important of all, is the creation of formal organizations. In the public sector, organizational units are being created faster than ever before. Administrative organizations are being broken up into independent and autonomous units. Day-care centers, schools and hospital clinics are all considered to be accountable organizations.

A formal organization can be clearly delimited. One knows where an organization begins and where it ends, who belongs to the organization and who does not. Secondly, an organization can be measured. Delimitability makes it possible to measure what is taken in and compare it with what emerges or is taken out. Measurability also makes different organizations comparable (if they have been measured in the same way). Thirdly, an organization can be hold accountable. Accountability is important. Referring to an organization implies an entity with leaders, visions, strategies, costs, performances and - possibly - results.

The sense of organizational identity created is important, and could be seen as the current credo of reform. Emphasis on organizational identity opens the door to management ideas. It assumes techniques for calculating costs and revenues. It assumes leaders that adopts strategies and utilizes techniques of management control. For a contract to be meaningful, the organizations agreeing to it must be independent and of formal character. It must be possible to hold organizations accountable, so those aiming at market-like solutions do have to create formal orga-

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3 Hospital clinics in some county councils (for instance in Stockholm) have been defined as accountable organizations with revenues of their own. This has led them to increase their production dramatically, and with fixed diagnosis-related prices this means that the central administration of the county council - at least for a period - loses its control.
nizations. Deciding to speak of autonomous units and of profit centers is not a trivial step, but has potentially far-reaching consequences.

It is through accounting that activities in organizations are made visible, calculable and comparable. The idea with accounting systems of the kind that had been introduced in most public organizations during the last decades is that activities are made comparable (mainly) in terms of costs. Accounts delimit areas of responsibility och the demands about accounts transmit the logic through which activities have to be described, valued and communicated. In a modernistic poetic language, you could say that accounts create calculable spaces (Miller och O'Leary 1987, Miller 1992).

Accountability is the central concept here. Leaders of autonomous organizations are responsible for the use of resources and for achieving results, and therefore they have to be given discretion in the use of resources. It is hard to exaggerate the regulating role of accounting in public organizations. Swedish local governments have to a large extent introduced the models of accounting used in private companies. Active in this transfer have been both the Municipal Federation and the County Council Federation but also, mainly through these organizations, people from business schools (Bergevärn and Olson 1987).

Roberts claim that "Accounting imposes a definition of the situation and action; the subordinate must explain his or her action in the terms of this imposed understanding..." (Roberts, 1993 s. 361). As Hopwood and Miller (1994) argued, accounting is not a neutral device reporting "the facts" of organizational activities. Accounting creates the reality that actors then have to act upon. Practices of accounting make processes visible in financial terms, but to an extent these financial flows are made up by accounting. The often highly standardized presentations of organizations in terms of accounts are no more factual than presentations in other terms (by words, for example), but in our modern society they are loaded with significance.

The idea of there being formal and accountable organizations is no mayfly. It has long made itself felt within public organizations and increased tremendously in the 1980s and the 1990s. Consequences will be seen, mainly through the creation of new organizational identities. Introduction of this idea has a number of predictable consequences. If one thinks of oneself as a private firm (the ultimate model of a formal organization), one tends - other things being equal - to avoid customers who are unable to pay. Any entity that is considered to be under contract to provide something tends - other things being equal - to see to it that the contract is met and to do nothing more. Those who consider themselves competitive tends - other things being equal - to see to it that new ideas are not leaked out to competitors.

To conclude this part, it is safe to say that ideas and techniques usually connected to global (or at least Western) ideas about new public management have been around in Swedish local governments for some
time. Even if some of the recent British inventions - the Next Step-agencies to take an example - seem to have been around for some hundred years in the Swedish (both State and local governmental) context, the focus on limited politics, creation of market-like arrangements and the focus on accountability clearly points to Swedish local governments as highly modern.

It is difficult to speculate about the consequences of all these attempts. Even in specific local governments, there are tremendous problems due to the impossibilities of isolating factors, not to talk about problems in evaluating consequences on a more general level. Above, I interpreted reforms as creators of identities as well as creators of activities. Long term consequences of people thinking about themselves as customers (rather than citizens), as competitors (rather than companions) and as belonging to organizations (rather than to the service or to a profession) may have considerable long-term effects. It is, however, easy to exaggerate and we should not forget the initial remarks about gradual changes and obstacles to reform.

Towards an interpretation of local government experiments

In the public debate as well as in the social scientific discourse, public organizations have been seen to contain many flaws. They have frequently been regarded as ineffective, too rigid, and insufficiently sensitive to the new demands placed upon them. This has among other things led to attempts to deregulate organizations in order to increase their autonomy and flexibility. Local governments should be able to choose the solutions that are best for themselves, without being hampered by rigid rules set forth by the central State government. And as two political scientists expressed it: "Swedish local governments have now more flexibility than ever before to arrange their own affairs" (Wise and Amnå 1992).

Indeed, much of the regulation by the State government has disappeared. State deregulation, thus, have aimed at increasing the latitude of action of the local government organization. But, as I have implied above, there seem to be a difference between intentions and effects. Some local governments may experiment with their own solutions, but in terms of how changes are presented to the outside, there seem to exist some general ideas that are taken-for-granted in the public sector at large. The developments outlined above were general ones that could be observed in nearly all local government organizations. If it is possible to choose individually what is best for oneself, how could it be that so many of them seem to make similar choices?
Multiple regulators

According to the basic mode of thought among reformers, de-regulation will lead to increased variation, with local government organizations coming to differ considerably in appearance and in their manner of functioning. Because of differences in the conditions with which they are confronted, local governments can be expected to differ in the solutions they select. There will, then, be many different kind of solutions, and those that are successful can perform roles as models that can be copied by others. Organizations, it is argued, can learn from each other.

The discussion about possible consequences of deregulation needs to be qualified, however, if it is to adequately explain what happens. Not only State organizations perform the role of regulators of local governments (Meyer 1994). There are others. First, there are a wide variety of alternative solutions available within the public organizational field. Imitation is always a possibility. Those organizations considered to be successful can serve as models to be imitated, which requires, to be sure, that the organization looking for such a model regard itself as somehow similar to the organization regarded as successful.

Secondly, there is an organized discussion concerning different organizational models and potential solutions within the local governmental sector. Such national organizations as the Municipal Federation (Kommunförbundet) and the County Council Federation (Landstingsförbundet) contribute, through investigations of reform models, collection of relevant statistics, and other activities, to the spread of ideas from one organization to another.

Third, there is a knowledge system to which various professional groups of scientific background and interests belong. These groups appear to have increased in size and number, resulting in a situation where "... any given organization is now surrounded by a much denser system of organized people and groups of this sort, and they claim much more extensive cultural content with more intensive authority" (Meyer 1994). In the local governmental sphere there are also a large number of professional researchers and consultants available who can offer solutions to organizations in despair.

The State having dethroned itself as regulator of the municipal sector does not mean that a gap has developed devoid of ideas and rules concerning how organizations at the local level should be organized and controlled. There are many others who claim to know how problems should be conceived and how they should be solved. Various packages of solutions and problems are available. These packages can be imitated, they can be imported from an organized discussion or they can be obtained from professional and scientific sources. Even if they are not endowed with formal authority through the State, there are powerful governance structures in the field of public organizations.
Thus, it is far from obvious that State deregulation leads to the organizations involved choosing those solutions that are best for themselves. Ever since the work of March and his associates, we know substantially more about the behaviour of organizations than before. Organizations may for instance solve each problem as it comes up and then wait for the next problem to appear. It is assumed that organizations look for solutions simple minded, ones in close proximity both to what is already being done and in the neighborhood of symptoms, only then carrying on a broader search for a solution when no solution nearby seems adequate (March and Simon 1958, Cyert and March 1963).

The situation in the field of local governments seems more to be that of solutions looking for organizations than of the opposite. Local governments that consider themselves to be faced with some problem can easily find a solution with the help of packages that are readily available, and sometimes very difficult to resist. Environments provide standardized solutions in the form of good government practice, which can easily be coupled with the problems at hand (compare for instance the German example in the beginning of the article). Such packages of solutions are easy for an organization to assimilate. If they stem from some professional system, they can also make the measures taken appear particularly acceptable.

Thus, organizations incorporate elements from their environments (cf Forssell 1992, Røvik 1992). The greater the extent to which a field has adopted practices which consultants, professionals of various sorts, or groups dealing with such problems consider to be good, the more probable it is that organizations in this field will find similar solutions appropriate to their problems. This makes it somewhat more problematic than it is often thought to expect deregulation to have the effect of enabling local governments to discover unique and flexible solutions to their problems.

Thus, one should perhaps not expect local government organizations to become particularly heterogeneous. Instead, deregulation by the State may well expose the field to stronger homogenizing forces than before and result in a higher degree of uniformity (this is of course an empirical question). The presence in local governments of other regulatory forces than those of the State is obvious. Perhaps the only way for variation to be achieved in as highly homogeneous a culture as the Swedish is for the central State government to see to it that variation comes about.

**Practices and presentations**

Homogenous organizational presentations do not necessarily mean that actual practices are carried out in a similar way. In the world of local governments, it may be difficult to resist such rationalized
solutions as accounting systems and quality assurance systems. But, on
the other hand, there are often several different kind of solutions that
all can be accepted. Hospitals may not be able to avoid to work with
quality improvement, but there are more than one quality system in the
field to import. We may, then, get different kind of practices.

Regarding quality assurance, there is a controversy within the
Swedish health care system regarding how this can best be achieved.
One group (headed by one State agency) favors organization audits in
line with a British model (inspired by a Canadian model, which in turn is
inspired by still another), whereas another group (headed by another
State agency) favors a quality system based on criteria developed by
the Swedish Institute of Quality, although largely taken from work done
elsewhere (Erlingsdóttir 1995). Besides these two groups, there are
various persons working within the quality field who favor a system
based on international standardization in accordance with ISO 9000.
Also in the area of organization models and accounting systems, there
are also many different solutions that are acceptable.

As has been pointed out by Meyer and Rowan (1977) and Brunsson
and Olsen (1993), organizations can align themselves with new ideas
through incorporating them into their structures and procedures,
without the work carried on within the organization being much
affected. We may, in those cases, get a discrepancy between the work an
organization carries out and how this work is presented to the public.
Organizations purportedly adopting new ideas may simply present
themselves in a different way than before creating facades which give
the impression that new ideas have been incorporated into their work.

Sometimes, there seem to be much greater leeway in terms of the
opportunity to act as one wishes in the work carried out than in the
presentation of it to the public (Brunsson 1993). The school principal
who presents to the public the work of the school is bound by rather
clear norms (goals, strategies, curricula, etc.), whereas the teacher in the
classroom can basically do what he or she wants. Organizations subject
to formal rules and the like considered to represent good government
practice tend to experience considerable latitude regarding how they
can act.

Ideas evolve in practice, and there is considerable leeway for
deciding how they should be translated, both in the direction of solving
more general problems and of being specific to local conditions (Sahlin-
Andersson 1994). It seems dubious to distinguish in absolute terms
between the stage at which an idea is created and comes to represent a
standard, and the stage at which the standard established is adopted by
an organization (Røvik 1992). It is when an organization has decided to
adopt a set of ideas and introduce them in practice that the real work of
specifying and revising them begins. When the County Council in
Stockholm introduced its "market-model", it not only utilized one of the
then most widely discussed ideas (that of the "Dala-model"), but it also, simultaneously, created a model of its own (Jacobsson 1994, Chap. 3).

One question is what possibilities there are for creating a front "onstage" at the same time that one works "backstage" in a different way. Perhaps it is our partiality for regarding (and our willingness in creating) organizations as autonomous and well demarcated units that leads us to speculate on possibilities for protecting the organization's core activity by the use of buffers and other screening devices (cf Thompson 1967, Scott 1992). In a society in which the presence of scientific knowledge and of persons with professional training and experience is so widespread, it however seems difficult to imagine an organization's management being able to completely shield its employees from outside influences.

A clearly defined border between an organization and the environment is a fiction. The organized discussion and packages of problems and solutions are nothing that simply enters the organization from above, sifting down through the hierarchy. Most organizations, and public organizations in particular, are very much open to external influences. Reformers are not the only ones who become caught up by ideas currently in force. Lively discussions in professional circles, in the mass media, in specialized journals, in internal seminars and courses, and the like, have an influence on persons of all categories working within local governments.

Conclusions

There are experiments going on in local governments, but the general image seems not to be one of variation. Even if there are exceptional municipalities and county councils, some ideas seem to be well spread: managerial ideas, creation of accountable organizations, attempts to increase competition and to limit the influence of politicians. For sure, these ideas could not be seen as genuinely Swedish. As the new set of ideas confronts organizations that for long have been dominated by other (also highly) institutionalized norms and traditions, it is not at all evident what will come out of the meeting. The proper image is less one of implementation of new public management ideas than one of translation.

I have discussed consequences of managerialism in local governments on activities. Do men and women in these organizations act differently than before? Obviously, they do. Introduction of quasi-market mechanisms and of accountability do, at least to some extent, influence how people act. We are neither sure, however, of the extent of this nor if the we like the consequences that we see. I have also discussed consequences on identities, that is if men and women in these organizations think about themselves differently than before. Here is the evidence.
even weaker, but I offered a guess that the identity-creation process may be a significant one.

How can we, then, explain the arrival of these ideas? The attempt to sketch a theoretical frame of reference in the section above was part of the ambition to answer this question. I interpreted the situation as governance without government. There are other governance structures penetrating local governments than those originating from the State. This is not to say that the state government is not important at all. It definitely is, but so are other significant actors in the environment of local organizations. The image presented was one of difficulties in resisting powerful solutions propagated by these others.

The mechanisms through which the ideas arrived in local governments seems to be similar to those in Germany, even if the ideas probably have been much more spread and influential in Sweden. Organizations imitate each other, they catch ideas in an organized discussion about problems and solutions and they import ideas from professions and from the social sciences (DiMaggio and Powell 1983). This may have the consequence that formally autonomous organizations in different national settings may act quite uniformly. All in their own ways, they make similar choices.

I do not, however, want to give the impression that all Swedish local governments are identical, neither in their actions nor in their structures and processes. The argument is that even in a case with few activities backed up by formal authority (government), you still have governance structures that exercise power. Governance structures, of course, include governments, but also such diverse phenomena as private companies, associations of local governments, the social sciences, business schools, private consultants, media organizations, professional groups and quality awards. All which was quite evident in the discussion above about developments in local governments.

Governance-structures are no nebulous entities, but populated by men and women striving for status, money and glory. We can easily spot the consultancy firms advocating purchaser-provider models or management by objectives in Sweden, or the researchers in business schools advocating decentralised and accountable organizations. Governance structures contain agents that know exactly what all the "others" should do (Meyer 199x). These agents carry the ideas of our times (whether it be limited politics, markets or accountable organizations) inter nations, or even globally. Even if these agents and their ambitions are created by institutionalized ideas, they still are there. And these ideas travel across organizations, fields and national borders (Czarniawska-Joerges and Sevón 1995).

How can we explain what is going on, then? The explanation that local governments do what they do because there is a formal authority telling them to is not accurate. This is not a modernization process controlled from the center, as for instance the one in Britain. How about the
rational strategic argument, that local governments do what they do since they consider using the solutions advocated as the best way to solve their own problems. There are some problems with this explanation. First, it seems doubtful if the organizations most eager to adopt the new ideas are the ones with the biggest problems. Second, even those with economic problems that imported the ideas, did not have to connect the ideas to specific problems in their own organization.

Ideological explanations could not be overlooked. Some local governments that introduced far-reaching reforms did this as part of an ideological mission. The aim was to change the organization of the welfare society, and the new public management turned out to be a promising instrument in achieving this. This may seem paradoxical since this quest away from politics towards markets had to be carried out by creating new public organizations (or by hiring of consultancy firms) that were supposed to implement the reform. This explanation, also, takes us outside the organizations involved and towards the one elaborated above.

I have instead explained what happened as processes of institutionalization. There are standard solutions - good government practice - that travel between nations, sectors and organizations. Organizations are sometimes easy targets for those solutions. Even with decreasing, or even in the absence of, formal authority from the State, there are therefore strong environmental forces governing the developments in local governments. One possible consequence of this is that an increase in formal autonomy can readily be combined with a corresponding increase in homogeneity.

By importing solutions signaling standards of good government practice, public managers become certified and legitimated by significant others in their environments. They are perceived as modern and rational. However, such imports are usually presented as something that is well suited to the specific organization, since organizations in their strive for distinctiveness are believed to make choices on their own. So even if organizations are interpreted as objects of significant standardizing forces in their environments, they surely want to be perceived as willful objects of standardization. That is, as individuals making choices.

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4 I will not argue with those who claim that problems are socially constructed, and constructed in order to make it possible to import a specific solution. To create the image of a crisis have over the years been a widely used tactic among those who have been supposed to guard the public purse. Even if the economic situation have become bad for many local governments, this does not really seem to have influenced the propensity to introduce the new ideas.
References:


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