

“New Managerialism” in Swedish Local Government

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This article examines initiatives for organizational reform in Swedish local government. The analysis investigates these initiatives in the context of reform efforts found in many modern democracies, with particular reference to the development of “new managerialism”. An empirical analysis of local government reform decisions is presented in order to determine the principal objectives and direction of reform initiatives. The analysis reveals that management objectives are emphasized most, followed by economic objectives and then public interest objectives. The implications of these findings for future developments in Swedish local government are discussed.

Reform of public administrative institutions is at the top of government reform agendas in many modern democracies, and local government is at the heart of many such contemporary reform efforts (Dente & Kjellberg 1988, 1). Demands for institutional reform suggest that public bureaucracies are too complex, centralized, sectorized, and rigid, as well as too little oriented toward the needs of citizens, service, effectiveness, economy, and efficiency. It is also suggested that public bureaucracies do not respond sufficiently to democratic political influence (March & Olsen 1989, 96).

Sweden has arguably one of the most successful welfare states in the world (Furniss & Tilton 1977). Even so, demands for institutional reform have been increasingly aired in Sweden over the last 10 to 15 years. Reform initiatives and the debates they have engendered have led to a variety of institutional reform decisions, particularly within local governments. Various initiatives currently being debated include proposals to create municipal companies, merge local agencies, delegate authority to professional managers, create sub-municipal councils, and/or create service district or facility advisory boards. Among the questions being discussed are which types of institutional reforms are to be selected, and which objectives should receive priority on the reform agenda. These and other related questions are not merely being debated and decided upon at the

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national level. Rather, much of the institutional reform debate is taking place within local governments themselves.

Much as is the case in many other modern societies, local governments in Sweden provide the primary locus of policy implementation, public service delivery, public expenditure, and public employment. To a greater extent, therefore, understanding local institutional reform decisions provides a key to understanding how the operative portions of institutional reform will be realized. The intent of this article is to explicate the nature of local government reform decisions and to examine the reform objectives of local government policy-makers in Sweden. Specifically, the study reported here was designed to address the following questions: (1) Which types of reforms are Swedish municipalities adopting; (2) What objectives are municipal policy-makers trying to achieve with these reforms; (3) What dimensions of organizational design are emphasized in these reforms; and (4) Are the dimensions emphasized balanced, or do some dimensions receive more emphasis than others? Data from a nationwide survey of local government reform decisions are used to address these questions.

Swedish Local Government Reform in a Comparative Context

Government reform decisions do not merely concern the application of technique, but involve choice of fundamental administrative doctrine. Various administrative doctrines are based on differing assumptions and embrace different solutions to the question of governmental reform. In facing the issue of governmental reform, in other words, Swedish local government decision-makers must choose among contending administrative doctrines which underlie alternative reform approaches. Such choices of doctrine are important not only in their own right, but also for what they signal about the direction of reform.

In making these choices, Swedish local government decision-makers are not alone; they are joined in this situation by their contemporaries in many other western nations. As Aucoin has described them, management reform initiatives in various countries have characteristically been based on two sets of ideas that are in tension. The first set of ideas focuses on the need to re-establish the primacy of representative government over bureaucracy. This set of ideas focuses on an apparent public interest deficit. Within this set there are two sub-strains, one focusing on the strengthening of representative government institutions, the other focusing on strengthening the ability of individual citizens to influence agencies through direct choices among types and qualities of service – i.e. by means of consumer democracy.

The second set of ideas, often referred to as the “managerialist” school

of thought (Aucoin 1990; Pollitt 1990) or the "New Public Management" (Hoggett 1991; Hood 1991), focuses more on the need to re-establish the primacy of managerial principles over bureaucracy (Aucoin 1990, 235). As Hood has noted, there are two sub-strains here as well, one based on the ideas of the "new institutional economics", the other on the tradition of business-type managerialism with its emphasis on strengthening the hand of professional management expertise and the development of appropriate managerial cultures (Hood 1991, 5-6). This set of ideas focuses on economic and management deficits.

There is an overlap between the citizen choice sub-strain of the representative government subset and the new institutionalist economics sub-strain within the New Public Management subset, though the emphasis is different. Within the former, the preference for competitive arrangements is emphasized in order to strengthen citizen control, whereas in the latter the same feature is emphasized as a key to lower costs and better standards. Both, however, employ the same economic rationale that consumers responding to alternative suppliers will create a market to which managers must respond. The new institutionalist economic sub-strain strongly emphasizes the role of markets and the necessity to transform institutions in order to permit the functioning of appropriate economic incentives for purposes of removing allocational inefficiencies. The business-type management subset stresses the role of the organization manager as leader and decision-maker, and emphasizes the necessity to remove barriers so that public managers really can direct the organization and adapt its activities to altered environments.

While these sets of ideas are widely discussed and offered as rationales for different reform initiatives, public officials make different choices not only of which sets of ideas should predominate, but also which specific reforms will best embody those ideas and fulfill the promise they hold. Even countries within the "Westminster model" tradition (Hood 1990) that embrace managerialism, for example, choose different sub-strains. Thus, in New Zealand reforms based on the new institutional economics have been predominant (Hood 1991, 6), while in the UK and Australia, business-type managerialism has been more predominant (Pollit 1990, 56). In the United States during the Reagan administration, by comparison, all four strains could be detected within administrative reform proposals and decisions (Grace 1984; Ingraham 1987).

In order to address the issues of what strains of local government reform may have come to Sweden, it is necessary to utilize a systematic framework for analysis that embraces the trends discussed above. The framework employed here is derived from principles of organizational theory and design. As noted earlier (Wise 1990), public organizations function within a configuration of organizations, and all organizations in a public service

configuration are engaged in the performance of particular public service activities. The institutional structure of local government organization plays an important, but not an exclusive, role in determining how the local organization will interact with other organizations and actors in the public service configuration. How the organization will function within the public service configuration is largely determined by three dimensions of public organization design – (1) public interest, (2) economic, and (3) management. To increase the chances that a given local government organization will fulfill its role within the relevant public service configuration, the three dimensions must be blended together in such a way that the organization can influence the total public service system controlling outcomes in the service area.

The *public interest dimension* includes factors that are of consequence for the ability of the organization to function within a given governmental framework in such a way that the organization advances the public interest. In western democracies, this includes elements of popular control, democratic leadership, and assumptions about the use of, and limitations on, sovereign power. The *economic dimension* includes both efficiency and service quality considerations. It is particularly concerned with components of the institutional arrangements that provide incentives for producing various combinations of services of varying quality at different cost levels. The *management dimension* encompasses the capacity to bring together the various activities involved in an organization's task area and whether local management possesses sufficient autonomy, resources, and discretion to pursue meaningful societal objectives. It also involves the ability to recruit, assign, and motivate staff to achieve organizational objectives.

The debate in most modern societies, which is mirrored in Sweden, focuses initially on what institutional deficits local governments have been experiencing. Some see a public interest deficit stemming from the unfinished agenda to strengthen local government democracy. The prevailing view here is that capabilities for the democratic representation of the public interest in local government have had insufficient attention. The call for reform arose in large part as a reaction to previous institutional centralization, and has centered on institutional modifications to increase democratic participation (Sharpe 1979, 22). Others see an economic deficit and point to congenital inefficiency and rising costs stemming from bloated and stifling government bureaucracies (Niskanen 1971). This view stresses that government hierarchies misallocate resources and argues that incentive mechanisms within local government need the most attention (Bish & Ostrom 1979).

Still other observers see a management deficit and point to an underutilized managerial corps that is hamstrung by outmoded structures and overdone regulation (Peters & Waterman 1982; Rainey 1990). A variant

of this view puts the priority on restricting those above the managers to setting goals and allowing the managers to bring together the means and resources to meet them (Pihlgren 1990).

Management Reform in Swedish Local Government

How are these strands reflected in the Swedish context, and which deficits are currently receiving priority? In order to answer this question it is important to appreciate that institutional reform is by no means new on the agenda of Swedish local government. Swedish local governments have experienced a number of institutional reform waves in the past, though not all of these have necessarily been carried through to successful completion within implementing jurisdictions, nor extended to a majority of jurisdictions. These reform movements have included state mandated consolidation of municipalities to increase national policy efficiency and "beef up" local bureaucracy during the 1950s and 1960s (Norell 1989; Montin 1992); national decentralization and municipal decentralization (Gidlund 1978) to "bring democracy back in" during the 1970s (SOU 1978:52); and managerial directed efficiency measures intended to cope with increasing financial stringency in the 1980s.

The proposals of the 1980s did not necessarily build upon the unfinished reforms of the earlier periods, but seemed to represent a shift of focus to the role of managers and the overall management system (SOU 1985:40). "Let the managers manage" became the rallying cry (Beckérus & Edström 1988). In effect, to the earlier sets of local government reform ideas based in building basic management capacity, and then increased political democracy, were added ideas centered in economic efficiency, and then business management. Each of the sets of ideas represented an unfinished agenda of local government institutional reform in that no set had been completely realized, and proponents for each set of ideas continue to press for priority for the imperatives contained within their particular set. Concomitantly, each set stresses different dimensions of public organizational design.

The question, then, is which, if any, set of ideas is now dominant in Swedish local government institutional reform? Based on the unfinished agenda of decentralization to increase political democracy, one might surmise that the public interest dimension would receive the most emphasis. The actual implementation of reforms addressing this concern, after all, was hardly widespread at the end of the 1980s, and various societal groups, including women and youth, have joined other long dissatisfied groups in calling for greater democratization. Alternatively, the rising demand for

efficiency and market solutions might lead one to expect that the economic dimension would receive greater emphasis. Increasingly, a claimed inability of traditional agencies to respond to complex and differentiated citizen demands and modern challenges has been a key part of the Swedish debate. Finally, the increased emphasis on managerialist principles could suggest that the management dimension would receive greater emphasis. The debureaucratization movement has often been pushed by managers seeking freedom to adjust operations to local conditions free from central government and local political control.

Study Purpose and Methods

Our intent here is to examine the extent to which variables within each of the dimensions – public interest, economic, and management – are stressed in recent reform decisions of Swedish local governments. Our primary contention is that an examination of reform decisions in themselves is important for what they signify about policy-maker acceptance of administrative doctrine and the direction of intended institutional change. A subsequent question, but one we are not able to examine here, is the extent to which implementation actually follows reform decisions.

In examining reform decisions of local governments, several prospects are possible. One is that local governments within a country will choose the same reform or reforms and for the same reasons – a sort of societal-wide governmental reform movement. Another prospect is that different municipalities will choose the same reforms but for different reasons, i.e. having different goals for the same reforms. A third prospect is that different municipalities will choose different reforms attempting to achieve essentially the same objectives. A fourth prospect is that different municipalities will choose different reforms with different objectives in mind for the same reform.

In order to investigate municipal reform plans, requests were sent to all Swedish municipalities asking if they had adopted organizational reform decisions between 1983 and 1988, and, if so, to forward copies of documents which set out the reforms.¹ A total of 213 or 75 percent of the municipalities responded. The 25 percent that did not respond were generally smaller and located in the northern part of the country compared to municipalities that did respond. Thus, municipalities covering the bulk of the population are included.

Both the type of organizational reform and the objectives behind the reform were the objects of study. Thus, the documents were first examined to determine the type of reform planned, and then analyzed to determine the presence and strength of certain objectives toward which the reforms

are oriented.² Types of potential reforms and objectives were identified based upon a categorization of proposals from various Swedish Government and Parliamentary recommendations as well as previous pilot studies of selected Swedish municipalities (Montin 1992). The types of reforms identified are as follows:

- A. *Delegation* – reforms transferring authority and responsibility to lower levels within organizations. Possible transferred responsibilities include budget, personnel, capital equipment, and/or program direction.
- B. *Merging Agencies* – reforms merging the boards of appointed political officials which supervise the functions and the operating agencies, which provide the service. This could also include creation of a new agency to which activities of other agencies are transferred.
- C. *Municipal Companies* – reforms transferring all or parts of agencies to a company with a board of directors. A majority of shares are retained by the municipality, but the remainder could be purchased by other institutions.
- D. *Sub-municipal Councils* – reforms establishing boards of appointed political officials which supervise several services in a defined geographical area within the municipality.
- E. *Service District Boards* – reforms establishing boards of appointed political officials which supervise a single service within a defined geographical area within the municipality.
- F. *Facility Advisory Boards* – reforms establishing boards of appointed political officials which guide administration of a single municipal service facility.

As for the objectives of municipal reform, documents were analyzed to determine which of the potential objectives (public interest, economic, and/or management objectives) were discussed as goals of the reforms. Documents were coded with respect to whether the objective was strongly represented as an objective of the reform, whether there was just some mention of it as an objective, or whether there was no mention at all.³

In considering the documents, variables within each of the dimensions were chosen to reflect the objectives different reform proponents have voiced in recent years. With respect to the public interest dimension, for example, critics have charged that municipal organizations have not been sensitive enough to individual citizen rights and needs, and have been too impersonal. In addition, bureaucracies have been charged with being too closed, with decisions not being made in a way understandable and accountable to the people. Municipal organization is also said to have weakened party activity and not facilitated the access of under-represented groups to

policy-making. It has also been said that administrators have lost touch with citizens and community organizations.

With respect to the economic dimension, by comparison, municipal democracies have been charged with not improving productivity and with incurring excessive costs, fostering inadequate service quality, and providing insufficient response to the differentiated demands of different clients. Finally, with respect to the management dimension, critics have charged that bureaucracies have been too centralized and rule bound, have operated in isolation from each other, have neglected the development of staff talent, and have stifled managerial initiative and autonomy.

Based on these discussions, the objectives of reform measures were coded according to the following categories and characteristics:

Public Interest

- A. *Citizen Rights* – intending to afford equal treatment to citizens, to communicate fully regarding treatment in individual cases, and to provide correct treatment to citizens.
- B. *Open Government* – seeking to improve the openness of administration vis-à-vis citizens, citizen insight into administrative activity, accountability to citizens, and open proceedings and records.
- C. *Increase Party Activity* – strengthening the influence of political parties in municipal affairs, expanding party activities, and increasing citizen interest in party politics.
- D. *Increase Representation* – increasing the number of representatives and increasing political representation from under-represented groups such as women, youth, and immigrants.
- E. *Increase Organizational Contacts* – increasing contacts and communication between municipal agencies and associations, neighborhood organizations, and citizen advisory groups.
- F. *Increase Citizen Contacts* – increasing communication between citizens and politicians and/or citizens and administrators.

Economic

- G. *User Influence* – adapting services to the demands of clients and customers of municipal services through mechanisms that bring services closer to clients, and more extensive user participation.
- H. *Productivity* – conscious striving for a better use of resources through use of cost accounting methods, responsibility for results, and key production standards.
- I. *Quality* – improving service quality by giving the right service to the right citizen, and by controlling the effectiveness of services.

Table 1. Frequency of Proposed Municipal Reforms in Sweden.

Type of structural reform	Frequency	Percentage of total reforms
Delegation	127	51.8
Merging agencies	54	22.0
Municipal companies	37	15.1
Sub-municipal councils	20	8.2
Service district boards	6	2.5
Facility advisory boards	1	0.4
Totals	245	100.0

Source: Planning documents of 213 Swedish municipalities responding to the authors' survey.

Management

- J. *Debureaucratization* – providing more flexible and simplified administration by means of shortening decision routes, deregulation, fostering flatter organization, and emphasizing a service orientation.
- K. *Management by Objectives* – explicating unambiguous goals and making the roles of politicians and administrators more distinct, plus giving managers more operational freedom and politicians more control over strategic objectives.
- L. *Integration* – down-playing sector boundaries and over-specialization, improving cooperation among agencies, and better management orientation to the organization's environment.
- M. *Staff Development* – development of human capital, improvement of professionalization and leadership, boosting work satisfaction and increasing worker engagement, motivation, and creativity.

Findings and Analysis

The first question to be addressed is what types of reforms did municipalities actually adopt. As can be seen in Table 1, while all municipalities did not choose the same reform, certain reforms enjoyed considerably more popularity than others. In particular, delegation was favored in a significant majority of reforms involving structural changes, while merging agencies and establishing municipal companies also received significant attention. Sub-municipal councils received less attention, and district councils for a single service and facility advisory boards received only nominal attention.

The next issue is whether the reform plans differed with respect to the objectives pursued. Did different reforms stress different objectives, and,

Table 2. Comparison of Objectives Among Swedish Municipal Reform Divisions Adopting Delegation as a Reform (Percent).

Dimension and objective	Strength of objective		
	None	Some	Strong
Public Interest			
Citizen rights	69	30	2
Open government	72	28	0
Party activity	86	14	0
Representation	90	10	0
Organizational contact	80	20	0
Citizen contacts	55	39	6
Economic			
User influence	56	33	10
Productivity	44	58	11
Quality	34	57	9
Management			
Debureaucratization	16	44	41
Management by objective	11	35	54
Integration	13	59	28
Staff development	24	49	27
N = 127			

Source: Planning documents of 213 Swedish municipalities responding to the authors' survey.

if so, what were they? In order to provide a response to this question, the objectives of two reforms – delegation and sub-municipal councils – have been examined in terms of their individual objectives. These two contending alternatives for reform were put forward by different parliamentary commissions. These reforms are rooted in the different historical debates that have occurred in Sweden concerning approaches to reform. The rationale for delegation has been more oriented (though not exclusively) toward enhancing managerial efficiency, while the rationale for sub-municipal councils has been more oriented toward public and political party participation (Montin 1992). One might expect that delegation reforms might be intended to enhance either economic or management objectives insofar as delegation is commonly supposed to lead to greater local managerial control over objectives and resources and presumably contributes to greater productivity and responsiveness. Arguments for sub-municipal councils, on the other hand, have often stressed democratization.

The objectives for delegation reforms – the reform type receiving the most mention in reform plans – are displayed in Table 2. The first point to notice in this table is that the stress on objectives is not scattered among different dimensions. Instead, objectives *within the same dimension* receive

about the same amount of stress and differ from the relative emphasis placed on objectives in the other dimensions. Inspection of the objectives within the public interest dimension, for example, reveals that these objectives generally receive little attention in connection with delegation reforms. Increasing citizen contact receives the most mention insofar as 45 percent of the reform documents give this objective some or strong stress. Of the remaining objectives in this dimension, only improved citizen rights receive some or strong emphasis in more than 30 percent of the reform documents, while the other objectives are all under 30 percent.

As we move to the objectives of the economic dimension, relative emphasis moves more to the "some" category. User influence receives some stress in 33 percent and strong stress in 10 percent of the cases, whereas quality improvement receives some stress in 57 percent and strong stress in 11 percent of the cases, and quality improvement receives some or strong stress in 57 percent and in 9 percent of the cases respectively. It is, however, objectives within the management dimension that all receive the highest percentages of strong emphasis. Management by objectives, for example, receives strong stress in 54 percent of the reform plans and debureaucratization in 41 percent. This would seem to be in keeping with the idea that managers and staff closest to the operations should control administration and politicians should set objectives.

In summary, as one might have expected for delegation reforms, the strongest stress is on management objectives including management by objectives, debureaucratization, integration, and staff development. What is somewhat unexpected is how little stress is placed on public interest objectives. Given earlier public discussions about the need to emphasize public participation and public rights, the lack of stress on the objectives representing this dimension for the reform with the largest number of cases is somewhat surprising.

Turning to a different type of reform – sub-municipal councils – we can determine whether such a reform displays a substantially different ordering of objectives. Because they represent political, rather than administrative or managerial reforms, objectives that emphasize the public interest dimension are thought to be most in evidence when sub-municipal councils are proposed. The objectives for the reform of forming sub-municipal councils are found in Table 3.

As one might surmise from the previous discussions of such reforms, a number of the public interest objectives receive somewhat higher mention than was the case for delegation reforms, especially when the percentages for "some" and "strong" emphasis are combined. This occurs for four of the six objectives, with the biggest difference being for increasing citizen contacts. This objective is given at least some emphasis in 70 percent of the cases as compared with 45 percent in the delegation reforms. However,

Table 3. Comparison of Objectives Among Swedish Municipal Reform Plans Adopting Sub-municipal Councils as a Reform (Percent).

Dimension and objective	Strength of objective		
	None	Some	Strong
Public Interest			
Citizen rights	75	25	0
Open government	75	25	0
Party activity	70	25	5
Representation	65	25	10
Organizational contact	65	30	5
Citizen contacts	30	40	30
Economic			
User influence	50	40	10
Productivity	25	45	30
Quality	50	50	0
Management			
Debureaucratization	15	55	30
Management by objective	20	45	35
Integration	20	25	55
Staff development	35	60	5
N = 20			

Source: Planning documents of 213 Swedish municipalities responding to authors' survey.

the stress on some of the other public interest objectives, such as improving citizen rights and open government, is less than was the case for delegation reforms. Moreover, while party activity, representation and organizational contacts are higher than for delegation reforms, they are only slightly higher. They are only mentioned in about one-third of the reform cases. Every bit as noteworthy here is the fact that economic and management objectives as a group are mentioned more often than public interest objectives as a rationale for sub-municipal council reform plans. Of the economic objectives, user influence receives at least some mention in 50 percent of the cases, compared with 43 percent in all delegation reforms, and productivity in 75 percent compared with 69 percent in delegation reforms. As with the delegation reforms, management objectives generally receive the strongest stress. The only exception to this is the emphasis on staff development. Debureaucratization, management by objectives, and integration receive otherwise the strongest overall stress for sub-municipal councils.

When comparing the stress on objectives, in short, one is struck by the similarity in relative emphasis for both delegation and sub-municipal council reform plans. Greater stress is placed on economic, and particularly management objectives in both types, even though there is a slightly higher

Table 4. Emphasis of Structural Reform Objectives in Swedish Municipal Reform Plans – Aggregated by Dimension and Type of Reform (Percent).

Reform	Dimension	Strength of objectives			(N = 100 percent)
		None	Some	Strong	
All reforms	Public interest	76	22	2	(245)
	Economic	48	43	9	
	Management	26	44	30	
Delegation	Public interest	75	24	1	(127)
	Economic	41	49	10	
	Management	16	47	37	
Merging agencies	Public interest	77	23	0	(54)
	Economic	59	36	5	
	Management	27	46	26	
Municipal companies	Public interest	91	8	1	(37)
	Economic	70	24	5	
	Management	61	29	10	
Sub-municipal councils	Public interest	63	28	9	(20)
	Economic	42	45	13	
	Management	23	46	31	
Single service district committees	Public interest	48	50	2	(6)
	Economic	10	57	33	
	Management	18	54	29	

Source: Planning documents of 213 Swedish municipalities responding to authors' survey.

proportion mentioning some of the public interest objectives for the sub-municipal council reforms. Some of the original rationale for creating sub-municipal councils, i.e. to "bring democracy back in", seems to have given way to economic and management imperatives.

Finding such slight differences in terms of the individual objectives addressed by delegation and sub-municipal council reforms, and the obvious grouping by dimension, leads one to question just how all the reforms compare with each other in terms of the overarching dimensions. Do inter-reform differences or similarities predominate? Based on the similarity of the delegation and sub-municipal council reforms, one suspects the comparisons will be characterized by greater similarity. In order to address this question, the objectives were combined into an average for each dimension – public interest, economic, and management. A dimensional average proportion was calculated for all reforms combined and also for each individual reform. These are presented in Table 4.

Inspection of the table confirms the pattern revealed for delegation and sub-municipal councils. For four of the five reforms, the public interest objectives receive an average proportion of at least 60 percent in the "no mention" category. In the other one, single service district committees,

there is a higher average proportion with "some mention" than in the other five, but the numbers are very small in this reform and the percentage distributions for this reform must therefore be interpreted with great caution. Basically, within all reforms the management dimension receives the strongest mention, followed by the economic dimension. The striking impression from these data is that, regardless of the reform, the priorities for reform are basically the same; strongest stress is placed on the management dimension, some stress is placed on the economic dimension, and little stress is placed on the public interest dimension. In fact, the overwhelming impression one obtains from examining the objectives of the individual reforms is how similar the objectives are.

One might surmise that municipalities could differ with respect to the objectives they sought to achieve with their reforms. Considering city size, for example, one might suppose that larger cities would stress public interest dimension objectives due to citizen feelings of distance from policy-making, while smaller cities might stress the managerial and economic dimension to improve overall competence and efficiency (Greenwood et al. 1980, 92–124). A comparison of objectives chosen by cities of different sizes, however, revealed no influence of city size. Large and small cities placed their priorities in the same order, with management objectives coming first, followed by economic and public interest objectives respectively.

In Sweden, one might similarly surmise that cities in the northern part of the country with larger geographic coverage might exhibit different patterns than those in southern Sweden. However, no influence of a north-south locational variable was found. Finally, given Sweden's history of strong party contest at all levels of government, one might expect differences according to municipal party control. Nonetheless, no influence was found for this variable either.

Referring back to the prospects specified earlier, we find that the prevailing pattern is one of different municipalities choosing different reforms to achieve essentially the same objectives. Objectives receiving most frequent mention are those consistent with the idea of new managerialism. Ostensibly at least, the power of the managerialist argument seems to have influenced the objectives of all the reforms. Whether the power of managerialist arguments convinced municipal decision-makers independently that their reform objectives should stress managerialist objectives, or whether some type of bandwagon effect is occurring, is difficult to determine. In the past, Swedish local governments have adopted similar ideas for municipal policy based upon recommendations of national authorities (Strömberg & Norell 1982, 26). The convergence here could be a function of a combination of both phenomena. It is clear, however, that managerialist objectives have at least been articulated most strongly as a rationale for municipal reform, regardless of the reform adopted. This in

itself is a striking effect. How long this will continue to be the pre-eminent rationale remains to be seen.

Discussion

The reform agenda in Swedish local government is not equal or balanced. There is far from equal stress on reform objectives or reform dimensions. Reform objectives focusing on strengthening the management dimension receive the most stress, followed by those oriented toward strengthening the economic dimension. The public interest dimension lags behind as a target for strengthening. Whether this reflects satisfaction with the current state of public interest attainment or, alternatively, that reform in the public interest area must wait until the other objectives are reached is not possible to tell at this time.

As pointed out above, different groups perceive the need for structural reform from different perspectives. Those who perceive a continuing public interest deficit will be most disappointed by the reform plans of local governments reviewed here. Strengthening the institutions of representative government, increasing citizen and voluntary organization contacts, increasing open government, and ensuring citizen rights receive the least attention in these reform proposals. Those who perceive an economic deficit, by comparison, will receive some succor from the findings presented here. Two of the three economic objectives received at least some mention in over a majority of reform proposals, with the third – user influence – mentioned in one of three. Advocates of the new institutional economics will see much room for improvement in moving consumer democracy further up on the local government reform agenda. Finally, those who perceive a management deficit may be the most pleased inasmuch as management objectives dominate both the individual reforms and the overall reform total. The business management model, in short, appears to be dominant in the reform plans reviewed here.

“Efficiency” and “effectiveness” have now moved up somewhat further on the local government agenda and local actors have become even more interested in finding new systems of management (Montin 1992). The 1992 Local Government Act has provided opportunity for such local actors by providing all municipalities greater freedom to structure their organizations and manage their activities (Häggroth 1992, 7). Concomitantly with the pressure of resource scarcity which has increased demands for economic efficiency, there has been a fresh recognition of the importance of human resources. These demands have come, in part, from the professional managers themselves, but have been aided by a general political discussion indicating that under-utilized human capital and professional competence

exist among local government managers. This has led to rising demands to afford professional local government managers increased autonomy and discretion.

Three obstacles to enlarged manager contribution to effectiveness have been the subject of criticism in the past: (1) excessive interference by politicians in administration, (2) overcentralization in the decision-making system, and (3) rigid insistence on everyone's formal right to be consulted leading to undue delay in decision-making. By importing concepts like "service management" (Normann 1983), "debureaucratization" (Carlzon 1985), and "motivate without manipulating" (McGinnis 1985), a new awareness of both managers' and other civil servants' roles in improving efficiency and quality in service delivery seems to have been generated. The model stressing professional managerial control over operations unencumbered by political superiors is a business management model. Instead, management by objectives or "goal steering" has been advocated in Swedish local government circles as the way for politicians to play their roles and to delegate operating authority to management (Pihlgren 1990). In addition, a new structure of formal relationships between political and management structures called "ordering and performing organizations" has been advocated. The idea expressed in some documents from the Ministry of Finance and among private consultants is that political activities should be separated from producing activities, with the performing organization being less day-to-day controlled by committees and more free in handling financial and other resources (Montin 1993, 62).

The values imbedded in the priority objectives registered here constitute a significant departure in Swedish local government. The documents examined displayed few positive comments for old ideals, such as the loyal civil servant subservient to laws and/or politicians, and even fewer for relationships with the trades unions. Rather, the management dimension receiving priority here embraces the values of the business management sub-strain of new managerialism. The idea that politicians should for the most part keep their hands off administration, merely setting objectives and leaving managers to integrate activities and harness the capabilities of staff members relatively free of traditional legal restraint, is in ascendancy.

As the new managerialism in Swedish local government moves into its operational phase, it is likely to shift even more to emphasize the economic dimension. Local government managers will have more autonomy but also more responsibility, and will be operating under conditions of continued financial scarcity as well as increased expectations of accountability to meet citizen-consumer demands. The incentive for managers will be to focus even more on efficiency and cost control, and fulfilling consumer demands to justify and attract resources. As a result, the local government incentive system will change and salary policy is likely to be more directly tied to

individual performance. Evidence of this change is already showing up in the school sector where individual wages for principals or headmasters have been implemented in many cities. In addition, from the discussion under way at present it appears that teachers will also have to accept individualized pay as a response to the demand for greater cost efficiency in the schools (Wise & Lindholm, 1993, 21–22).

Whether the reform ideas being discussed in Sweden and whether the reforms in local government presented here are on target and are balanced enough depends, of course, on one's perspective. There are those that earlier hoped the establishment of sub-municipal councils would increase citizen participation and build party representation (Amnå 1983; Mellbourn 1986). Analysis of results following implementation in some cities indicated that citizen participation in sub-municipal affairs was somewhat improved, and a small increase in party activity was demonstrated, but the overall revitalization of municipal democracy was not evident (Montin 1989). Proponents of revitalized municipal democracy thus see a need for renewed reform efforts in this area (State Commission Instruction, Dir. 1992:12).

Those who point to the unfinished agenda of the experiments undertaken during the early to mid-1980s in Sweden with the intent of strengthening municipal democracy are likely to see the new local government plans as being unbalanced and possibly leading to the further deterioration of municipal democracy. To concentrate on economic and management issues and assume that all is well with the public interest dimension would, for such observers, be unwise. Emphasis on management alone, for example, could lead to further deterioration of party representation in the municipalities. Some observers have already noted a growing tendency for citizens to go directly to civil servants rather than discuss local issues and problems with party representatives (Westerståhl & Johansson 1981, 40; Petersson et al. 1989, 134–135). Even if the plans reviewed here do not lead to further party or representational deterioration, neither are they likely to lead to much strengthening of these relationships.

As the municipalities move from reform decisions to reform implementation, moreover, it will be interesting to see how the groups that have traditionally stressed the public interest dimension such as political parties will react. A real question is whether or not the politicians will be content to set objectives and "let the managers manage". As managers manipulate the details of administration in pursuit of management goals, those among the citizenry who are dissatisfied with the outcomes will react and may well petition elected representatives for redress. At that point elected politicians' devotion to delegation may well collide with a perceived interest in political self-preservation, and a renewed intervention into the "details" of administration could result. Alternatively, citizens may increase their tendency to petition municipal managers directly for redress, and managers will be

increasingly placed in the spotlight in a way that has not been seen since elected politicians served as the managers too. Such a development could well lead to heightened concern with who gets to be managers and how. Groups experiencing dissatisfaction, such as women, immigrants, and Lapps, which find people like themselves under-represented in managerial ranks would be likely to insist on a stronger role in the appointment of managers and possibly call for some type of proportional representation in managerial ranks.

A distancing of elected party officials from management issues and decisions could have a damaging impact on parties. To the extent that party representatives play down their role as a conduit for citizen concerns, it could well reduce further any incentive inactive citizens have for becoming party supporters. Groups not heavily represented in or attracted to traditional parties such as youth and women, could increasingly turn to special interest groups or new emerging local parties to make their demands felt. In addition, support for parties from traditional members may wane, too, as the decisions affecting the public are increasingly shifted to managers on the grounds that these decisions are "technical" and "administrative". The greater the extent to which municipal production is "freed from politics", the greater may become the questioning of the role of the parties as aggregating and integrating institutions (Montin 1993, 64).

By contrast, those in Sweden who have stressed the need for economic reform may be partially satisfied by the reform documents we have examined. The expansion of local government activities at a rate in excess of economic growth and higher taxes has brought pressure for more efficiency and effectiveness (Gustafsson 1991, 30). Many proponents of economic reform stress the sovereign consumer, private business, and market competition. They also argue that subordinate government agencies be given more freedom from top-down control and instead be subject to direct control by users and clients – i.e. less bureaucratic control mechanisms and more market-like controls. According to the assumptions of such persons, more productive local government organizations and ones closely oriented toward the demands and preferences of the public are supposed to result (Olsen 1988, 13). Some of the emphasis in the plans reviewed here is indeed in this direction. The question now is whether the hoped-for productivity gains and quality improvements will be substantial enough to fulfill public expectations and to dampen public distrust of government.

Yet another possibility is that the introduction of the reforms will meet such opposition that their effects will be muted or diffused. Sweden has a long tradition of local government and the new managerialism is being put in the spotlight for the first time. These traditions may yet be felt and have an impact upon the final outcomes of local government reforms. Already

there have been proposals in parliamentary commissions for an economic sanctions system to control municipalities that depart too seriously from national norms (SOU 1989:64 and SOU 1991:98). For now, however, there seems to be little doubt that the ideology of new managerialism has come to Swedish local government.

NOTES

1. The relevant municipal officials responsible for organizational matters in each municipality were asked for the reports underlying the decisions made to adopt reforms. They were asked for the actual documents on which the reform decisions were based. The respondents, in other words, were not asked to characterize the reforms themselves. Examples of the types of reforms for which information was sought were indicated in the request. The data derived here were coded from original source documents. Coding was accomplished by two coders working from a coding protocol. Following initial coding, a sample was recoded to compare against original codes to test for and ensure inter-coder reliability.
2. Obviously, a single municipality may have more than one reform. Thus, the population for analysis is a population of reforms, not a population of municipalities.
3. For each objective, coders counted the number of times that variable was mentioned in the documents. The count for each objective was compared with the count for other objectives within a city. Those objectives receiving a greater number of mentions than the norm for all variables which received mention within the city were coded as "strong". All others receiving at least one mention were coded as "some". It is not possible to assess from these documents the degree to which local policy-makers devising the reforms truly embraced the objectives stated therein. There is always the issue of hidden agendas in government reform plans. Nonetheless, by officially stating reform plans and objectives, local policy-makers are communicating to employees and the public rationales for reform. In politics, rationales matter, not only for employee and public acceptance, but also because policy-makers can be held accountable for them. In Sweden, moreover, party competition is a reality at the local government level, and objectives and their rationales are subject to questioning at any time. To be sure, no claim is made that the objectives examined here are the exclusive ones held by policy-makers. We are well aware that informal politics can transform officially stated intentions and move in directions counter to those of officially stated objectives. We do maintain, however, that official plans matter for what they signal about the predominant arguments for reform and important intended directions for the future. Follow-up research is necessary (and is underway) to determine the extent to which implementation will fulfill the intentions of the reforms discussed here.

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