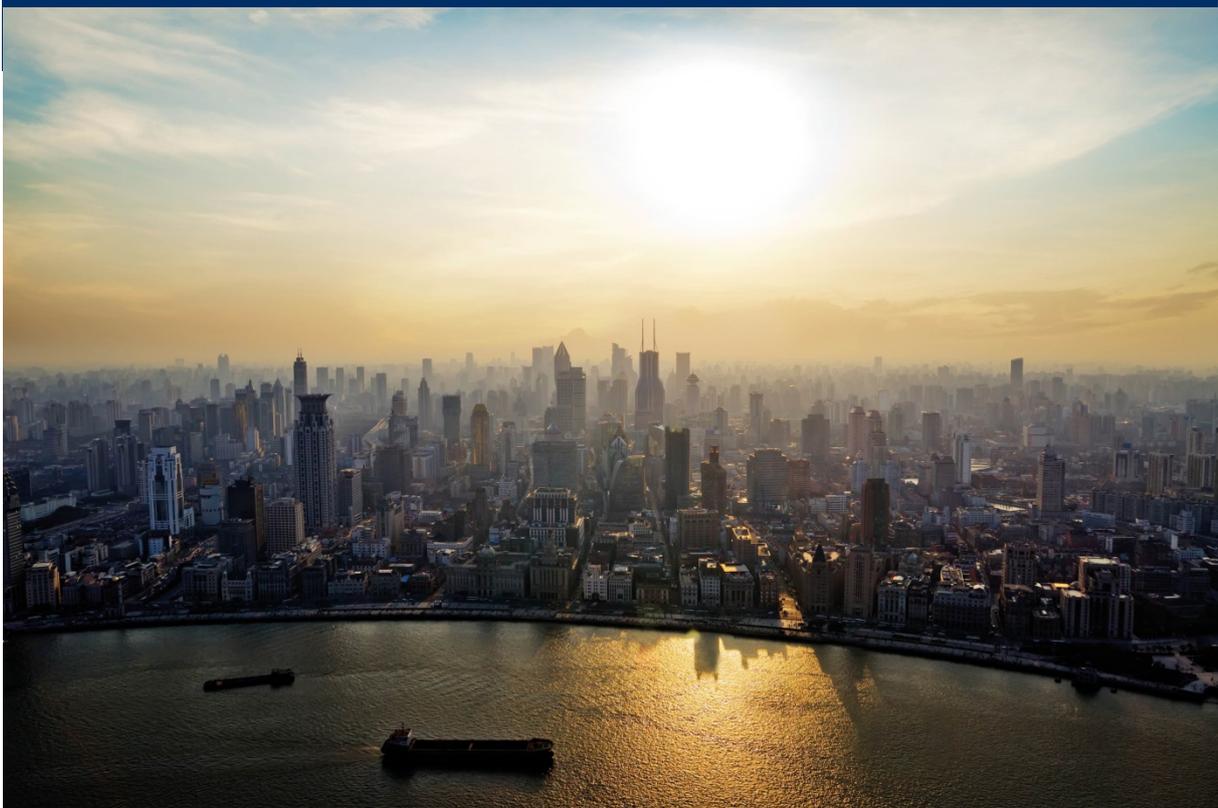


# SGI

Sustainable  
Governance  
Indicators

## 2015 Sweden Report

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## Executive Summary

Democratic governance remains deeply institutionalized and of very high quality in Sweden. While it is true that some of the societal underpinnings of governance are changing – party membership is declining and electoral allegiance to parties is increasingly volatile – such changes may simply demonstrate that Sweden’s system is capable of development, adaptation and reinvention.

The Swedish political and administrative system is fragmented by design. Agencies are autonomous in relationship to the political center. Local and regional government, too, enjoy substantive, constitutionally guaranteed autonomy. Against this backdrop, reforms during the past several years have focused on strengthening the political center’s oversight powers. Such power, proponents of the reforms argue, is essential to sustaining a responsive political leadership that can impose its political will on agencies and local government. Equally important is the aspect of accountability, as the agents and structures of political power can and must also be held responsible for the measures they have introduced.

These reforms have also increased the strategic capacity of the system. Clear leadership capable of implementing changes helps create a system which, as a whole, is better equipped to address contingencies and volatility in its external environment. The increased strategic capacity of government appears, to some extent, to have come at the price of inclusiveness of societal interests, discourse and debate. Using information increasingly as a strategic asset, the government and not least the Government Office (GO) is today more secluded and inaccessible to the media and interest associations. Similarly, the increasing coordination among government departments, where fragmentation has been a major problem for a considerable amount of time, came at the price of some degree of (further) centralization; it has enhanced the strategic capacity of the government at the same time as it weakens the points of contact with the surrounding society.

In terms of public policy, the government has skillfully and successfully navigated the Swedish economy past the reefs of crisis and instability. Not being a member of the euro zone has certainly helped, but the government deserves very high grades for its management of the economy through a series

of financial and economic crises, global as well as European.

Until the change in government in September 2014, the non-socialist “Alliance” government had continued its goal-oriented policy of transforming the welfare state. It had implemented market-based reforms in a wide variety of sectors, so much so that it appears as if bringing the market into public service and the welfare state was more an ends in itself than a means. The government had cut taxes extensively with resulting cutbacks in many welfare programs. Strong pressures were put on people to return to the workforce after illness. Some of the implemented measures did not, at first glance, undermine the logic of the Swedish welfare model. The reforms implemented in family, labor market, tax and social insurance policies indicate – when considered on their own – that only moderate changes have taken place. Yet, taken together, these small steps at reform culminated into a significant departure from the historical fabric of the Swedish Model. Tax policy reforms in particular suggest a genuine break with traditional patterns. The center-right government was driven by ideology to a larger extent than many previous governments.

The impression of change has other sources, too. Overall, Swedish politics, economy and society appear to be losing some of their specificity and, instead, Sweden is emerging as a country with less distinctive features, at least in a European context. Historically, a high level of stability, broad consensus and the absence of right-wing populist parties were defining features of Sweden’s political environment; not so any more. Economically, corporatism, centralized wage bargaining, high taxes and a generous welfare state previously made Swedish society stand out in most contexts. Those features have also significantly declined. And, finally, high homogeneity, equality, a high level of employment and affluence were characteristics that previously defined Swedish society. Yet, we now see evidence of increasing ethnic heterogeneity, sustained levels of unemployment, appearing tendencies of dualization in the labor market, growing inequality and decreasing levels of quality of life and health. In sum, Sweden is currently transforming from a “unique” country to a fairly average European one.

The Social Democratic and Green coalition government that was formed after the 2014 general elections seems to place less trust in the market than their predecessors. The red-green coalition government has no clear majority in parliament. Therefore, it remains to be seen if the new coalition government is capable of organizing stable majorities in parliament and to what extent the current more state-centric policy style will help address urgent issues in education, welfare and unemployment. However, due to the stalemate in parliament in December 2014, it remains to be seen if the red-green government will be confirmed in the extraordinary election in March 2015.

## Key Challenges

Sweden has set its sights on a long-term vision of global competitiveness, a lean but effective and productive public sector, and carefully managed international influence. Many indicators suggest that Sweden is well on its way to achieving these goals. The key problems facing the government are not related to supporting economic and social winners, but rather getting the losers onboard the larger societal project. Sweden's long-term social and economic sustainability hinges on the capacity of the government in this respect. Sweden's government now faces the challenge of clearly defining its larger social agenda. Choosing which strategy to implement is not feasible until the government defines its objectives.

With the return of the Social Democrats to political power, a key issue is determining which reforms of the welfare state, the education system and the labor market that were introduced by the previous non-socialist government should be continued – and which should be reversed. Reversing a large number of reforms could introduce a stop-and-go policymaking pattern that would be detrimental to institutional capacity, stability and predictability, which are important for economic development. On the other hand, simply administering further an inherently non-socialist policy agenda would also be difficult to sustain from an electoral point of view.

In terms of challenges facing the government, three related problems seem to stand out: unemployment, integration and equality. Over the past several years, Sweden has enjoyed sustained strong economic development, except for the odd year in the midst of economic crisis. However, even during high-growth periods the government has recorded high levels of unemployment. Whether there are problems in preparing students for work life or whether there are invisible thresholds to enter the labor market, unemployment in general and youth unemployment in particular remains a problem. The previous government put their trust overwhelmingly in the market and incentives; the new government appears to be somewhat more “dirigiste” in its approach. It is yet too early to assess whether this new policy style will be any more successful in addressing these urgent sets of issues. And it is too early to assess if the red-green coalition will be successful at all in the extraordinary election in March 2015.

Integration is to some extent a similar type of problem. Visible and invisible obstacles prevent immigrants from finding meaningful jobs and societal

acceptance in Sweden. The comparison with other countries in this respect is not satisfying. Unlike in other countries, Sweden has made efforts and devoted financial resources to solving the problem. Still, its formula has not worked, likely because the government has been unable to overcome societal obstacles. The government has taken the first step of strengthening the internal strategic capacity of the state, but now, in a second step, it needs to address the issue of making societal governance more integrative and effective.

In the past, equality was one of the major features of the Swedish model. However, inequality has increased in Sweden because of the deregulation of wage bargaining, the trend away from collective wage determination toward individualized patterns and increasing income from capital for high-income earners. Tax reforms under the previous government, deliberately or not, accelerated the trend toward inequality further. Certainly, from a comparative point of view, Sweden is still a very egalitarian society. From a historical point of view, however, the rise of inequality is fast and striking, and it threatens to further undermine societal trust and integration. Addressing rising inequality will therefore be a political challenge for the new red-green government.

The government has a rare opportunity to capitalize on high institutional trust, a strong economy, a vibrant civil society and a professional staff at all levels of government. The key decision it has to make is whether it wants to employ those resources to pursue collective goals, or instead promote individual initiative, deregulation and removing obstacles for markets. This is obviously a core political decision although many scholars tend to argue that the correlation between growth and a small public sector is weaker than assumed. For Sweden, it appears less likely that sustained high growth will come from a “race to the bottom” strategy, which would undermine integration, equality and trust. Instead, economic prosperity will more likely be the outcome of concerted action between an effective, capable and productive public sector and a globally competitive, solidary and balanced business community.

# Policy Performance

## I. Economic Policies

### Economy

Economic Policy  
Score: 8

The international financial press has painted a positive picture of Sweden's economic policy and development in Sweden during the last couple of years, and for good reason. Overall, the Swedish economy has fared comparatively well during the global financial crisis, and Swedish crisis management seems to have been extraordinarily successful.

Sweden has received numerous accolades for its financial management. The Financial Times named former (2006-2014) Finance Minister Anders Borg "Best Finance Minister in Europe," and The Economist has urged the rest of the world to look at the "New Nordic Model" as a leading example of economic policy. International institutions like the OECD and the European Union have likewise praised the Swedish trajectory of economic development and the role of government in securing and fostering that development.

The government has implemented a series of reforms that have provided long-term stability in the economy. Also, and equally important, previous governments have chosen not to alter regulatory frameworks which might jeopardize stability, for instance labor market regulations.

Most economic indicators on Sweden look good. This is particularly the case with international competitiveness. All is not well, however. The National Bank of Sweden, fearing deflationist tendencies in the economy, lowered its "steering interest rate" to an unprecedented zero percent in late October, 2014. Unemployment also remains comparatively high, at least higher than could be expected from the hitherto Swedish full employment in Europe. There are also fears (as mentioned recently in an IMF report) of an emerging bubble economy in the real estate market.

Perhaps even more troubling, there are now signs on both sides of the political aisle to relax their commitment to the regulatory framework of the public budget and the public economy. The previous non-socialist government downplayed the importance of a surplus goal, a stance which the incoming Social Democratic and Green government after the 2014 election has shared. The argument for doing so is that there are urgent programs that require public funding. Also, by sidestepping a rule saying that the budget should be voted on in its totality, the former opposition (now incumbent) parties during the last election period succeeded in stopping individual items in the government's budget. The current opposition (former government parties) have announced that they intend to do the same when the new public budget is deliberated in the Riksdag. All of this bodes not so well in terms of the long-term prospects of the economic regulatory framework.

Moreover, some sectors of the economy, for example the housing market, suffer from low efficiency and lack of transparency. In addition, the tax reforms the government implemented in the period under review further undermined economic equality. Still, the Swedish economy and Swedish regulation of the economy may be judged as highly competitive and efficient. Whether this record is due to policy incentives, or if it is a consequence of Sweden being not a member of the eurozone, is contested in economic literature.

Citation:

The Economist (February 2-8, 2013), "The next supermodel: Why the world should look at the Nordic countries"

Finanspolitiska Rådet. Swedish Fiscal Policy. Fiscal Policy Council Report 2014 (<http://www.finanspolitiskaradet.se/download/18.47ebd5c7148472314b8a89a6/1410181263612/Swedish+Fiscal+Policy+2014.pdf>).

Mjøset, L. (ed.) (2011), *The Nordic Varieties of Capitalism* (Bingley: Emerald).

Kvist, Jon et al. (eds.) (2012), *Changing Inequalities. The Nordic Countries and New Challenges* (Bristol: Policy Press)

## Labor Markets

Labor Market  
Policy  
Score: 7

Swedish labor market policy needs to be understood in its historical context. The more than 40 years of Social Democratic rule elevated the policy goal of full employment above and beyond partisan differences. The 1970s and 1980s saw Swedish industry undergo massive restructuring, and although unemployment increased, it was still moderate comparatively speaking. Since the 1990s, a new scenario has emerged in which unemployment remains relatively high, and at the same time, economic growth is comparatively strong. This situation poses a new type of policy challenge.

The current labor market statistics indicate that Sweden today does not differ in

any significant way from comparable capitalist economies. If anything, unemployment among youth and immigrants is higher than in other comparable countries. This pattern raises questions about the efficiency of Sweden's labor market policies and the overall regulatory framework. The former, non-socialist government pursued a policy which incentivized unemployed to look for work by lower unemployment support. The new government (Social Democrats and Greens) is committed to increasing that support. Their policy stance marks a return to more government-sponsored employment as a means of helping the unemployed access the labor market. However, due to the stalemate in parliament in December 2014, it remains to be seen if the red-green government will be confirmed in the extraordinary election in March 2015.

Ongoing EU integration and mobility of labor has triggered a new set of issues related to the domestic regulations in the market. Also, there has been extensive debate about introducing an apprentice model to help younger age cohorts to make the transition from education to the labor market. Additionally, Swedish policymakers have been trying to create a short-time work scheme for public employees, as it exists in Germany. These examples may indicate that the old Swedish model of labor market policy is gradually moving toward the German model.

Union strength declined rapidly during recent years, but union power still remains strong by international standards. The strength of unions in part explains the relatively modest reform in labor market rules related to dismissal, minimum wage, and apprentice arrangements, which would entail some workers earning a lower salary. But this statement does apply only to insiders on the labor market because employment protection legislation for precarious work does decline significantly. As in other European countries, in Sweden a dualization of the labor market is taking place, albeit at a slower speed than, for example, in Germany.

Whether related to culture or differences in training and work experience, immigrants to Sweden have severe problems successfully entering into the labor market. Sweden shares this problem with a large number of countries but it has proven to be exceptionally inept at this aspect of integration. The large number of unemployed immigrants erodes integration policies to a great extent and this will be a major challenge for policymakers in the future.

During the financial crisis, however, the Swedish government relied on active labor market policies. In this respect, the old pattern of crisis management was in use. Nevertheless, the efficiency of active labor market policies is highly contested, especially given the relatively high unemployment rates and the very high youth and immigrant unemployment rates.

Tax Policy  
Score: 8

Citation:  
OECD (2012), *Employment Outlook* (Paris: OECD)

## Taxes

In terms of horizontal equity, this aspect of tax policy has improved over the last several years. The tax system has been reformed and simplified with fewer deductible items, which in turn has broadened the overall tax base. Combined with a less progressive tax rate and an overall reduction in taxes, horizontal equity has improved.

Vertical equity has significantly decreased, however. Studies show that differences between different socio-economic strata has increased over the past decade in most OECD countries, but more rapidly in Sweden. Current tax policy penalizes those who do not work, regardless of the reason for not being part of the workforce. Thus, for instance, retirees have not been able to make deductions that the employed are allowed to make (this arrangement, however, is currently under review). This policy has served to incentivize people who are outside the workforce to seek jobs.

The government managed to balance public budgets quite successfully during the financially turbulent years after 2008. Declining taxes were accompanied with spending cuts and privatization. Hence, the tax revenue has been sufficient so far, with the loss in revenue balanced by spending reductions. More recently budget deficits have increased somewhat, so much so that the surplus goal has not been attained for the last couple of fiscal years.

Tax policy is less of a factor in national competitiveness today than it was 10 to 15 years ago when economists pointed to the high income tax levels as a major impediment to the competitiveness of Swedish businesses. Today, Swedish tax levels are almost at par with those of its main competitors. In fact, taxation of business is comparatively low, which should increase its competitiveness in global markets.

Tax cuts in recent years proved initially successful in encouraging the unemployed to re-enter the labor market. Further tax cuts would, however, presumably undermine this effect. In the run-up to the 2014 general election, even the government's own constituencies expressed growing criticism of further tax cuts, as cutbacks in public services became increasingly tangible.

Citation:  
OECD (2011), *Divided we Stand: Why Inequality Keeps Rising* (Paris: OECD).  
Kvist, Jon et al. (eds.) (2012), *Changing Inequalities. The Nordic Countries and New Challenges* (Bristol: Policy Press)

## Budgets

Budgetary Policy  
Score: 9

Since the mid-1990s, fiscal and budgetary discipline has been extraordinarily strong in Sweden and its tight budgetary regime has begun to yield benefits. In the wake of the 1992 financial crisis, maintaining sound fiscal policy has been an overarching policy goal for both center-right and Social Democratic governments. Sweden is one of very few countries that targets a budget surplus, and although this is increasingly controversial, neither government nor opposition harbor any plans to abolish it. This target and other elements of the fiscal policy framework has set Sweden on a trajectory of strong and sustained economic development. Not even the 2008 global economic crisis or the euro crisis have disrupted Sweden's economic growth.

The issue in this context before and immediately after the 2014 elections has been to what degrees the two main contenders for power in Sweden (the four non-socialist-party "Alliance" or the Social Democrats with support from the Greens) still unconditionally subscribe to the surplus goal and other aspects of the financial regulatory framework. The Alliance allowed an increasing budget deficit in the years prior to the 2014 elections, and the incumbent Social Democrats and Greens government has not indicated that they will give the surplus goal high priority on their agenda. While we are not likely to witness a major borrow-and-spend type economic policy, the relaxed views on the surplus goal does raise some concern about the long-term sustainability of the budgetary policy.

Citation:

Finanspolitiska Rådet. Svensk Finanspolitik. Finanspolitiska Rådets Rapport 2013 (<http://www.finanspolitiskaradet.se/download/18.11165b2c13cf48416debd67/Svensk+finanspolitik+2013.pdf>)

Finanspolitiska Rådet. Swedish Fiscal Policy. Fiscal Policy Council Report 2014 (<http://www.finanspolitiskaradet.se/download/18.47ebd5c7148472314b8a89a6/1410181263612/Swedish+Fiscal+Policy+2014.pdf>).

## Research and Innovation

R&I Policy  
Score: 9

Sweden ranks among the top five advanced industrialized democracies in terms of research and development (R&D) spending per capita. This high level of investment in R&D has existed for considerable time. As an economy with high labor costs, Sweden's competitive edge lies not in large-scale manufacturing but in knowledge-intensive sectors. R&D spending thus directly sustains that competitive edge.

Governments – center-right as well as Social Democratic-Green – rarely miss an opportunity to reinforce the argument that public spending on higher education, research institutions, and research and development in general is integral to future prosperity and wealth. There is nothing suggesting that the commitment among all major political players to R&D spending is about to change.

While R&D spending has a long history, converting research and development concepts into valuable products has been far more challenging for Sweden. The “Swedish paradox,” as it is called, is precisely the inability to convert research findings into commercially viable products. However, as recent data show, Sweden now ranks first with regard to patent applications and license fees for intellectual property. This is a valid indicator that R&D is bearing fruit, as securing intellectual ownership of emerging products is a critical stage in the process from the research facility to the market. Public policy has targeted this very issue lately and the data suggest that R&D is now increasingly paying off.

:  
Edquist, C. and L. Hommen (eds) (2008), *Small Country Innovation Systems* (Cheltenham: Edward Elgar).

### Global Financial System

Stabilizing  
Global Financial  
Markets  
Score: 9

The Swedish government has stood behind essentially all efforts to enforce regulation aiming at preventing criminal financial behavior in international financial management. Sweden also supports and implements rules laid out by the European Union and other international institutions related to international finance. It has rejected proposals, however, to introduce a Tobin-style tax on international financial transactions.

On the domestic scene, some friction between the Ministry of Finance and the big commercial banks has been noticeable over the past couple of years. The discord has related to the banks’ insistence on giving their staff huge bonuses and charging high interest rates. Another potential source of friction between the Ministry of Finance and the major commercial banks is related to political signals to force lenders to reduce debt and not just paying interest rent. The Ministry, in concert with the National Bank, is concerned that there is a growing bubble in the metropolitan real estate markets. Reducing debt would help reduce the likelihood of such a bubble economy. The banks, however, do not have a commercial interest in debt reduction.

Taken together, Sweden is a forerunner for the sustainable regulation of international as well as domestic financial markets. This status is a consequence of the financial crisis in Sweden in the early 1990s, which initiated rapid policy learning in all major parties represented in the Swedish parliament.

## II. Social Policies

### Education

Education Policy  
Score: 6

Education policy continues to be extensively debated in Sweden. Critics point to how Sweden is slipping in most international comparisons in terms of student knowledge and analytical skills. Sweden now ranks 32 on PISA scores, an alarmingly low ranking for a country relying on knowledge-intensive sectors for its economic growth and competitiveness. Even more disconcerting, the trajectory of Sweden's PISA rankings suggests a consistent and steep decline in performance. Some studies attribute the decline to the decentralization of primary education in the late 1980s; others argue that the teaching profession suffers from low social status which discourages many from studying to be teachers and that many teachers lack formal qualifications to teach subjects they are in fact teaching. It is clear that Swedish schools no longer fully achieve high performance and quality criteria.

Critics also point to the high level of youth unemployment, which suggests that the education system fails to provide skills and knowledge demanded by the contemporary labor market. A final criticism is that the skills required to enter into a teachers' education program at universities today are relatively low, hence there is very little competition to enter those programs. As a result, new teachers may have only a limited aptitude to teach successfully.

In its defense, the previous government argued that it was extremely active in reforming education at all levels. The former as well as the current red-green government have expressed strong financial commitments to education. To improve the "fit" between education and the labor market, the current government announced to open alternative education programs that provide an avenue of learning other than to prepare for university studies. There are also plans, as mentioned earlier, to develop apprenticeship programs, which have proven successful in other countries like Germany. Finally, the previous government was committed to strengthening the competence and professionalization of teachers by, for example, reforming the university programs and introducing certification for teachers. The newly elected government intends to raise teachers' salaries and also to increase the number of the staff present in the school environment. However, due to the stalemate in parliament in December 2014, it remains to be seen if the red-green government will be confirmed in the extraordinary election in March 2015.

A key means of assessing Sweden's education policy involves looking at the extent to which the education system successfully provides a skilled labor force. High youth unemployment could be seen as an indicator of failure in this respect but could also be explained by the performance and the specific demand of the economy. Some education policy experts support a two-tier model where apprenticeships facilitate a smooth transition from work-related secondary education programs into employment in industry, and where students who seek to continue their education arrive at universities well-prepared. This model has not been entirely successful elsewhere, but that may be attributable to economic factors or labor market rigidities. Also, as mentioned earlier, the PISA results substantiate the problems in Sweden's primary education to deliver good quality.

Concerning graduate output of secondary and tertiary education, Sweden's performance in this respect could be seen as good but not great. Sweden is not as high in the rankings as its need for skilled and well-trained students to enter the research sector would require.

A third and final way to assess Sweden's education policy concerns equitable access to education. Education policy has performed rather well in this respect. Coming back to a previous point, if anything, the system is "too equitable" in that requirements to enter some programs in university are so low that basically anyone who applies is admitted, resulting in a "race to the bottom" in tertiary education standards.

### Social Inclusion

Social Inclusion  
Policy  
Score: 8

An analysis of Sweden's social inclusion policy probably yields different results depending on whether it is conducted diachronically or synchronically. In the first approach, which observes Sweden over time, it is not difficult to see that social inclusion in some areas, particularly gender equality, works extremely well while other aspects of social inclusion are more problematic. Young people find it very difficult to find a job; large groups of immigrants are far from being integrated in Swedish society (see "integration policy"); poverty is low, but increasing; and the Gini coefficient measuring the distribution of wealth is still low but rapidly increasing. Thus, the empirical data point at significant problems in the areas of inter-generational justice and justice between native Swedes and immigrants.

If we compare Sweden with other countries, we find that recent developments challenge the country's historical position as a leader in the public provision of welfare through wealth redistribution and as a country with extremely low levels of poverty. Together, the data and recent developments suggest that Sweden is

gradually losing its leading role in these respects and is increasingly at par with other European countries in terms of its poverty levels and income distribution. If Sweden previously could boast at its record as an egalitarian and inclusive society, there is less reason to do so today.

Citation:

Kvist, Jon et al. (eds.) (2012), *Changing Inequalities. The Nordic Countries and New Challenges* (Bristol: Policy Press)

## Health

Health Policy  
Score: 7

The health care system continues to be a problem area for Sweden, as is the case for most European countries. The media regularly reports on excessive waiting times in emergency rooms and scandals in long-term care, in which patients received sub-standard treatment. These weaknesses may be the consequence of far-reaching privatization measures during the most recent past. Another problem is that the administrative oversight of health care quality is weak.

The general account of Swedish health care is that once you receive it, it is good. The problem is access. Regional governments (“landsting”) provide health care, allocating about 90% of their budgets to this purpose. Health care is divided into primary care, which is delivered locally (albeit under the auspices of regional government), and advanced care, which is provided by the hospitals.

The key problem, as pointed out in the 2011 report, is a governance problem. Health care is driven by three contending sources: elected officials, the medical profession and the market. These three sources governing the health care system send different signals, make different priorities, and allocate resources differently. This bureaucratic split at the top has the effect of reducing quality, inclusiveness and cost efficiency.

Partly as a result of these problems, a rapidly increasing number of people in Sweden purchase private health insurance. Estimates in 2014 suggest that about 575,000 Swedes, or about 15% of the working population, have a private health insurance policy, either purchased privately or provided by the employer. The rapidly increasing number of private health insurance policies clearly suggests a lack of faith in the expediency and quality of public health care.

Specific assessments:

- The quality of advanced medical care is generally quite good. The care provided by hospitals draws on close access to research centers and is of high standard.

- Concerning inclusiveness, eligibility to health care is generously defined in Sweden. Instead, the big problem is the waiting time from diagnosis to treatment. The previous, non-socialist government introduced a “care guarantee,” (“vårdgaranti”) which entitles a patient to seeing a GP within 90 days. Evaluations suggest that the guarantee has somewhat improved the situation but also that a large number of patients still have to wait beyond the stipulated 90 days for treatment.
- Properly assessing cost efficiency in the health care sector is extremely difficult. The medical profession advocates that evidence-based assessment of costs for treatment and medication are used to a greater extent than is presently the case, that is, costs should be related to expected patient utility.

Citation:

Socialstyrelsen (2012), Vårdgaranti och kömiljard - uppföljning 2009-2011 (Stockholm: Socialstyrelsen).

Kollega, 20 February 2014: “Sjukvård som förmån ökar” (<http://www.kollega.se/sjukvard-som-forman-okar>).

## Families

Family Policy  
Score: 10

Sweden has been politically and economically committed to strong family policy for the past 50 years. Major features of Sweden’s policy have been the separation of spouses’ income and individual taxation, the expansion of public and private day care centers and a very generous parental leave program provided to both women and men, which has created much better possibilities to combine a professional career with parenthood.

The basic structure of family policy remains in place, but some small changes have taken place. The former government launched a program which served to provide an alternative to the parental leave program. The program offers a subsidy (“vårnadsbidrag”) to parents who prefer to stay at home with children rather than place them in day care centers. The program empowered parents to decide for themselves how to best organize their family with pre-school age children. The current government is critical of the program, however, arguing that since men tend to have higher income than women it effectively confines the mother to stay at home and look after the children. Because local governments provide the program, an overall evaluation of it is difficult. But some data suggest that only a small percentage of Swedish parents is using on the subsidy. Hence, it appears the overall majority is still using the broad supply of public as well as private child-care facilities.

The newly elected government is likely to abolish the program. Their alternative is to increase the parental leave program with an additional month targeted at the father, thus incentivizing fathers to take more time off to engage in the care of the children. The basic difference between the Social Democratic and Green perspective and that of the non-socialist “Alliance” parties is that the former emphasize gender equality whereas the latter emphasize freedom of choice. However, due to the stalemate in parliament in December 2014, it remains to be seen if the red-green government will be confirmed in the extraordinary election in March 2015 and if the red-green government is able to implement such a policy-change.

### Pensions

Pension Policy  
Score: 8

Sweden’s pension system succeeds in preventing poverty among senior citizens, but those living only on the very basic pension have problems making ends meet. In fact, Sweden has twice as many pensioners living at or below the poverty line as in Denmark and three times as many as in Norway, two comparable Nordic countries. Pensioners living on a baseline pension with limited savings and no private pensions insurance are eligible for additional support from social welfare programs, however.

The stability of the pensions system was a problem for a long time but appears to have improved over the last several years, due to major reforms of the whole pension system in Sweden. One result of the pension reforms is a new public-private mix, strengthening capital funded occupational and private pension schemes. The distributional principles appear to be sound but the volatility of the stock market during the most recent past has meant a major source of uncertainty about how stable and sustainable the system will be in the future.

Lastly, in regard to equity in the system, the results are mixed. Ideally, a pension system ensures equity among pensioners, the active work force and the adolescent generation. If equity refers to basically similar living conditions, Sweden’s system fails in this respect. If equity however refers to a provision of baseline material goods related to needs, the performance of the system looks better. Some studies state that the new Swedish pension system does not undermine inter-generational equity, as long as the entry into the labor market for the adolescent generation is not blocked. Therefore, high and persistent youth unemployment rates threaten this aspect of equity in the long run.

## Integration

Integration Policy  
Score: 7

Sweden has a generous immigration policy. The country has received a large number of refugees from Iraq and Syria and, in 1992, from former Yugoslavia. Indeed, there are individual local authorities (Södertälje) that have received more immigrants from Iraq than has the entire United States. In the European setting Sweden, together with Germany, stands out as one of the most immigration-friendly country. Today, Sweden offers permanent residency for all refugees from Syria. The Migration Board predicts that during 2015 Sweden is likely to receive somewhere between 80,000 and 105,000 asylum seekers.

The increasing immigration represents a significant challenge to Swedish integration policy. These policies cover a wide range of measures, from language training to supportive labor market and housing policies. Most of the policies are implemented locally. Given the great autonomy of Swedish local governments, the instruments vary regionally. There are now political signals that local autonomy should no longer prevent individual local authorities from being requested by central government to receive asylum seekers.

It is difficult to argue that integration policy in Sweden has been successful. In terms of both educational attainment and employment, immigrants in Sweden find it much more difficult to integrate than immigrants in comparable countries. This is not to say that there is a lack of political or economic commitment to integration policy. To the contrary, integration policy remains a very important policy sector and related political activities are far reaching. The activities of the ombudsman and the minister for immigration and equality ensure that immigration issues have a high public salience.

Sweden's lack of success in integrating immigrants, despite strong efforts otherwise, thus indicates the problem lies in the design and implementation of its integration policies. It is possible that the same obstacles facing young people as they try to make their way into the labor market also discriminates against immigrants. There is some good news, however. Studies show that second generation immigrants, particularly girls, perform well in secondary and tertiary education. However, for immigrants with low education, entry into a labor market with high standards seems more or less blocked.

Citation:

Kvist, Jon et al. (eds.) (2012), *Changing Inequalities. The Nordic Countries and New Challenges* (Bristol: Policy Press)

Safe Living  
Conditions  
Score: 7

### Safe Living

The crime rate in Sweden is slightly higher than it is in comparable countries. Assessing the effectiveness of the internal security police is a complex undertaking. Sweden has experienced substantial problems with organized crime for a long time. Despite increased efforts to address this problem during the period of review, organized crime has shown no sign of waning, rather the opposite. Many media accounts of homicides and assaults relate these incidents to organized crime and rivalry among competing organizations.

In terms of solving and preventing crime, there has been extensive debate about police effectiveness. Studies suggest that the police do not use their resources effectively and that only 2% of their working time is spent on actual crime prevention or resolution.

An additional problem is related to the emphasis on performance measurement and management which, critics argue, has led the police to focus on high performance scores rather than crime prevention. Pre-emptive police work which may observers argued is the best way to prevent crime does not show up in performance measures. Also, given the performance targets some aspects of police work such as checking automobile drivers' sobriety is conducted with almost more attention to getting the numbers in than actually bringing criminals to court.

The percentage of "smaller" crimes, particularly smaller crimes such as theft or burglary, solved in Sweden is still lower than many citizens think is acceptable.

Citation:

Holgerson, S. and J. Knutsson (2012), Vad gör egentligen polisen? (Institutionen för ekonomisk och industriell utveckling. LIU-IEI-Research Report 12/0004. Linköping: Linköpings Universitet).

Global Social  
Policy  
Score: 9

### Global Inequalities

Promoting global social justice is an overarching policy goal for Swedish governments regardless of their ideological orientation. Sweden combines bilateral strategies with an active involvement in multilateral efforts toward those objectives. Additionally, public spending for development issues is comparable high. There has been a gradual shift from conventional aid to developing countries, mainly countries south of Sahara, toward aid directed at countries that are closer to Sweden, for instance promoting democratization and civil society in eastern Europe. That said, the commitment to international solidarity and aid to developing countries remains still very strong.

### III. Environmental Policies

#### Environment

Environmental  
Policy  
Score: 8

As is the case with global social injustice, Sweden tries to be a forerunner in environmental policy as well.

Environmental policy made its way onto the political agenda in the 1970s and has remained a salient set of issues. With its legacy as a high-energy consuming industrial economy, Sweden certainly has a long way to go, but the data suggest its environmental policy is working. Indeed, CO<sub>2</sub> emissions are decreasing, biodiversity is improving and its ecological footprint, while still high, is slowly decreasing. Moreover, governments of both center-right and leftist-green orientation are gradually shifting toward an increase in “green taxes”. In addition, environmental policy is an integrated component of the larger project of restructuring the economy and making it more environmentally friendly.

After the 2014 elections the Greens joined a coalition government with the Social Democrats. While both, the Social Democrats and the Greens, are strongly committed to “green” issues, they do not seem to agree on the future of nuclear power; the Social Democrats want further studies whereas the Greens want to shut down two reactors before the next elections (in 2018). However, due to the stalemate in parliament in December 2014, it remains to be seen if the red-green government will be confirmed in the extraordinary election in March 2015 and if there will be some changes in environmental policies during 2015.

#### Global Environmental Protection

Global  
Environmental  
Policy  
Score: 10

Sweden continues to present a very strong international record in terms of supporting international environmental protection regimes. Indeed, the country has a record of going beyond the requirements of international accords, such as the Kyoto Protocol, as a means of setting an example to other countries. Climate change and global warming can only be addressed through multilateral efforts and Sweden has played an important role toward such arrangements.

Citation:

Zannakis, M. (2010), *Climate Policy as a Window of Opportunity: Sweden and Global Climate Change* (Gothenburg: Department of Political Science, university of Gothenburg).

# Quality of Democracy

## Electoral Processes

Candidacy  
Procedures  
Score: 10

During the period under review, the electoral process was free and fair. Parties or candidates were not treated differently on any grounds.

Candidates are selected and ranked within the party organizations with essentially no public rules guiding the process. Political representation in Sweden is overwhelmingly collective representation. Since 1998, there has been the opportunity to indicate preferences not just for a particular party but also for specific candidates, but voters tend to vote for parties rather than for individual candidates. This culture of representation gives parties a central role in candidate selection. Against that backdrop it is perhaps not very surprising that indicating preferences for specific candidates has, with a few exceptions, not had a major impact on outcomes.

SOU 2007:68 Ett decennium med personval [A decade of personalized voting] (report from a Royal Commission) (<http://www.regeringen.se/content/1/c6/08/99/85/fc04f7e0.pdf>)

Oscarsson, H. and S. Holmberg (2013), *Nya svenska väljare* (Stockholm: Norstedts Juridik).

Karlsson, D. and M. Gilljam (2014), *Svenska politiker. Om de folkvalda i riksdag, landsting och kommun* (Stockholm: Santérus).

Media Access  
Score: 10

All candidates and all parties have equal opportunities of access to the national media and other means of communication. The equality among political candidates in terms of their access to media is to a large extent safeguarded by the public service rules of the SVT (public television) and Sverige Radio (SR), a public radio outlet.

The print media in Sweden is overwhelmingly non-socialist in its political allegiance and is therefore more likely to cover non-socialist candidates than candidates from the parties on the political left. However, there is also a genuine left-wing media, particularly present on the Internet. The right-wing Sweden Democrats (Sverigedemokraterna, SD) is rapidly gaining importance in the electoral process as well as in parliament. Some newspapers still refuse to publish this party's advertisements. And some newspapers have no political leaning, and rather criticize the actions of all parties.

In Sweden, as elsewhere in Europe, the usage of new media and new forms of information is increasing. New social media is becoming more important for political campaigns. Though the information provided by social and other electronic media is vast and varied, the tools of selectivity facilitate a more narrow consumption of information than does print media.

Voting and  
Registrations  
Rights  
Score: 10

The Swedish electoral system meets the highest requirements in terms of eligibility, transparency and the basic right to participate. There are no legal obstacles to anyone who wants to run in an election. Political parties conduct candidate selection without any interference from the state, and the media closely monitor the parties during the selection process. Electoral turnout has always been high and increased in the 2006 and 2010 general elections, reaching almost 85% and indeed surpassing that level in the 2014 general elections.

Citation:  
Valmyndigheten (<http://www.val.se/>).

Party Financing  
Score: 6

Political parties in Sweden receive public as well as private support. Despite extensive debate, political parties still do not make their financial records available to the public and there is no regulation requiring them to do so.

This lack of disclosure has become increasingly frustrating to the public, as the parties receive extensive financial support from the state. The current support (central, regional and local) amounts to a total of some SEK 440 Million (equal to €2 million) per annum. The only information that is made available about party financing is scattered and provided on an ad-hoc basis by the respective parties.

The political party organizations, following legal advice, argue that disclosing the names of donors would compromise their political integrity.

Neither is there any public institution that effectively monitors fiscal contributions to party organizations. The media monitors and reports on the parties, however.

Citation:  
[http://www.riksdagen.se/sv/Dokument-Lagar/Utskottens-dokument/Betankanden/kad-insyn-i-partiers-och-vaik\\_H101KU35/](http://www.riksdagen.se/sv/Dokument-Lagar/Utskottens-dokument/Betankanden/kad-insyn-i-partiers-och-vaik_H101KU35/)

Popular Decision-  
Making  
Score: 7

Citizen initiatives for national referendums are rare but they do happen. Such initiatives have occurred on several occasions at the local level concerning a wide variety of issues, for instance a referendum on poll taxes (for automobiles; “trängselskatt”) in the city of Gothenburg.

Outcomes of referendums are never binding in Sweden. However, it is customary that all parties commit themselves to obeying the outcome of the referendum. In constitutional terms, no referendum can be legally binding.

Citation:

For an overview over national as well as local referenda cf.

[http://www.val.se/det\\_svenska\\_valsystemet/folkomrostningar/index.html](http://www.val.se/det_svenska_valsystemet/folkomrostningar/index.html).

### Access to Information

Media Freedom  
Score: 10

Media freedom in Sweden is valued and well-protected. The Swedish constitution's Freedom of the Press Act and the Fundamental Law on Freedom of Expression guarantee freedom of the press.

The media in Sweden operate independently from government. This is not to say that government is not present in the media sector, however. Government institutions offer financial support to newspapers (typically smaller newspapers) and also to magazines.

Furthermore, government is a leading owner of the public service companies Sverige Radio (SR) and Sveriges Television (SVT). The media market in Sweden has opened up considerably over the past couple of decades. Today, the SR and SVT face significant competition from privately owned and managed radio and TV channels. It is noteworthy that trust is especially high in public media (TV and radio), whereas trust in private media (especially TV) is low in Swedish society. Private media ownership is concentrated in a small number of major corporate actors inside and outside Sweden.

A precondition for the media to scrutinize government and hold elected officials to account is that the government provides access to public documents. During the last couple of years there appears to be growing frustration among the media against government departments for failing to provide public documents to the media or individual citizens. Government departments increasingly use information as a strategic means of communication. Nevertheless, Swedish government and administration still meet high requirements regarding transparency and publicity.

Citation:

Weibull, L., H. Oscarsson and A. Bergström (2013), *Vägsäl* (Göteborg: SOM-Institutet)

B. Johansson et al. (2014), *Det politiska spelet. Medborgare, medier och politiker i den representativa demokratin* (Lund: Studentlitteratur)

Media Pluralism  
Score: 8

The Swedish media market is highly competitive. There is a very clear distinction between public service and commercial media with the former mitigating the downsides of the latter. The only problem with the growing private media market is that it has a highly centralized ownership structure with significant foreign ownership.

New, social media (blogs, Twitter, Instagram, etc.) are developing at an amazing speed in Sweden, as elsewhere, and is becoming increasingly important in the political sphere. Electronic media are most popular with a younger and well-educated demographic. Internet penetration in Sweden is among the highest in the world.

Citation:

Weibull, L., H. Oscarsson and A. Bergström (2013), *Vägskäl* (Göteborg: SOM-Institutet)

B. Johansson et al. (2014), *Det politiska spelet. Medborgare, medier och politiker i den representativa demokratin* (Lund: Studentlitteratur)

Access to  
Government  
Information  
Score: 9

Sweden is a forerunner and remains a leading country on all issues related to transparency in government and public access to government information and documents. Both the political elite and the public cherish the fundamental principle that all government documents are public, unless they are classified or relate to individual integrity. If anything, the emergence of e-government has further promoted the objective of accessibility and transparency. Sweden is also pursuing greater transparency within the EU Commission.

There has been a growing problem lately in the willingness of government departments to provide documents to the public and the media as swiftly as the constitution states. Media representatives in particular have criticized the government on this matter. There is also some frustration among executive agencies to have access to documents of the government departments. Nevertheless, Swedish government and administration still meet high requirements regarding transparency and publicity.

Citation:

Weibull, L., H. Oscarsson and A. Bergström (2013), *Vägskäl* (Göteborg: SOM-Institutet)

B. Johansson et al. (2014), *Det politiska spelet. Medborgare, medie och politiker i den representativa demokratin* (Lund: Studentlitteratur)

### Civil Rights and Political Liberties

Civil Rights  
Score: 9

Civil rights and legality are core values in Swedish governance. The constitution has a chapter devoted to human rights. Legal security is an essential guideline for the public administration. In all these respects, Sweden earns a top score in this category.

However, the emphasis on efficiency in administrative reform is undermining legal security. This applies for instance to the immigration service and the performance management system used by the police. Also, there were instances in the recent past (e.g., the extradition, in concert with the CIA, of two Egyptian citizens who were forced to return to Egypt where they were immediately arrested and tortured), which raise issues about the extent to which state institutions or actors uphold the basic civil rights codified in the constitution.

Lastly, it is worth noting that organized crime has taken a hold in some metropolitan regions of Sweden. Without a doubt, infringement of individual freedom caused by private actors such as organized crime is a real and growing problem. In response, the national police have made curbing organized crime a priority.

Political Liberties  
Score: 10

Political liberties and human rights are written into the constitution. Sweden is a highly institutionalized advanced democracy. As such, it upholds all political liberties.

Non-discrimination  
Score: 9

Sweden still ranks as one of the most egalitarian societies in the world. Discrimination based on any feature, be it gender, race, sexual preferences or ethnicity, is not tolerated.

That said, it is clear that there are still differences between salaries for men and women doing the same job, and between immigrants and Swedes in the labor market. These are spheres of society where public regulation is only effective when complaints are filed with public authorities. There are two ombudsmen dealing exclusively with discrimination issues; one for gender issues and one for other forms of discrimination.

In terms of ethnicity, Sweden is an increasingly heterogeneous society. Integration policies are highly contested in the public debate. A Discrimination Ombudsman and a minister of integration and gender equality devote their political activities to anti-discrimination. However, during the period of review, ethnic segmentation in several suburbs of the metropolitan areas in Sweden increased. This societal fracturing remains an unsolved political challenge in contemporary Sweden.

### Rule of Law

Legal Certainty  
Score: 10

The Swedish legal framework is deeply engrained and the rule of law is an overarching norm in Sweden. Likewise, in the Weberian public administration, values of legal security, due process, transparency, and impartiality remain key norms.

The clients of the administration and the courts also expected and appreciate these values. The legal system is characterized by a high degree of transparency. The ombudsmen institution (a Swedish invention) remains an important channel for administrative complaints. The Ombudsman of Justice permanently surveys the rule of law in Sweden.

Different arrangements to protect whistleblowers in the public service are being considered or have been implemented.

During the most recent past, the government has intensified market-based administrative reforms. While similar developments in public administration are underway in many other European countries, it may undermine principles of legal certainty. The main potential challenge to the entrenched value of the rule of law is the growing emphasis on efficiency objectives in the public administration. The tension between that goal and legal security is well-known but still looms large in the context of administrative reform.

Judicial Review  
Score: 10

The Swedish system of judicial review works well and efficiently. Courts are allowed to question legislation that they find to be inconsistent with the constitution. In addition, Sweden has a system of judicial preview where the Council on Legislation (“lagrådet”) is consulted on all legislation that potentially, or actually, relates to constitutional matters. The institution’s review (or preview) goes beyond that assignment and includes an overall assessment of the quality of the proposed legislation. The government and the parliament have the right to ignore the council’s advice, however.

At the same time, critics have increasingly questioned this model of judicial review over the past few years. They argue it is part of a more general trend toward the judicialization of politics, where courts and lawyers acquire an inappropriate level of influence over political decisions. However, these criticisms are not particular to Sweden; they are observable in most European countries.

Appointment of  
Justices  
Score: 9

Cabinet appoints Supreme Court (“regeringsrätten”) justices. The appointments are strictly meritocratic and are not guided by political allegiances. Although the Cabinet almost always makes unanimous decisions, there are no special majority requirements in place for these decisions.

There is only modest media coverage of the appointments, mainly because the Swedish Supreme Court is not a politically active body like the Supreme Court in other countries like Germany and the United States.

Corruption  
Prevention  
Score: 9

Sweden has one of the lowest levels of corruption in the world. As a result, public trust in democratic institutions and public administration is comparatively high.

Corruption at the state level remains extremely unusual in Sweden. Regulatory systems safeguarding transparency and accountability, coupled with an overall administrative culture that strongly forbids corrupt behavior, prevent corruption. At the local government level, however, there have been an increasing number of reports of corruption and court decisions on related charges.

Citation:

Weibull, L., H. Oscarsson and A. Bergström (2013), *Vägskäl* (Göteborg: SOM-Institutet)

# Governance

## I. Executive Capacity

### Strategic Capacity

Strategic  
Planning  
Score: 8

The strategic capacity of government has been enhanced over the past few years. Much of that capacity is found in the Department of Finance where most of the long-term planning takes place. The main role of the Prime Minister's Office is not so much long-term planning but more coordination within government.

A case in the point is the so-called "future commission" which presented its final report in early 2013. In the final report, the commission assesses the economic and social changes that are likely to shape the Swedish society in the longer term. Exactly how the commission's findings will flow into the policy process is yet to be seen. The commission is not an institutionalized feature of the normal policy process, but was a group of experts the government appointed to look into the long-term issues. The creation of the commission does signal the government is thinking in the longer term.

In addition to these planning efforts in the government departments, the agencies are also engaged in planning. They are not operating in close proximity to the departments, however. The exception to this pattern is when a department asks one of its agencies to look into a particular issue and to prepare advice on policy-initiatives.

The previous government invested considerable energy to increase the coordination among government departments and to provide better steering of the executive agencies.

Historically, policy planning has been achieved to a large extent by the use of Royal Commissions. Most of these Commissions were composed of elected officials and stakeholders. During the past decade or so, the quality of these

Commissions – particularly with regard to the quality of the studies they deliver and their capacity to generate consensus among major political actors and stakeholders as to policy goals and means – has deteriorated. Many Commissions today have very few members and are often dominated by civil servants. This had a negative impact on the Commissions’ final reports and the quality of the advice they produce.

Citation:

Svenska framtidsutmaningar. Slutrapport från regeringens framtidskommission (2013) (Stockholm: Statsrådsberedningen) (<http://www.regeringen.se/content/1/c6/21/33/06/9cde7be8.pdf>)

Scholarly Advice  
Score: 7

The government’s search for scholarly advice is less institutionalized today than it was 25 or 30 years ago when Royal Commissions would almost always include experts and scholars. With the decline in the Royal Commission institution (most commissions today are one-man task forces given 18 or 24 months to look into an issue and produce a final report), the government now seeks scholarly advice on a more ad-hoc basis.

There are some positive signs, however. The former government increased the number of boards or advisory groups where scholars (often but not always bona fide sympathizers of the ruling parties) could offer input and advice.

This issue also relates to the decreasing inclination among the government department staff to solicit advice or other contacts with external actors. Communication is today managed in detail and there are disincentives to open up to external actors at sensitive stages of the policy process. As a consequence, the openness toward scholarly advice depends much on the political salience of the issue. And when policymakers seek scholarly advice, it is in most cases ad-hoc and selective.

### Interministerial Coordination

GO Expertise  
Score: 8

Inter-ministerial coordination has been a significant problem in the Swedish system of government for a long time but has now been addressed in a comprehensive strategy. Over the past couple of years, a major program (“RK Styr”) was implemented in order to strengthen the coordination between departments. This goal was believed to be a necessary step to increase the capability of the GO to steer the agencies more effectively.

In formal and legal terms, the government and its departments act as a collectivity. All decisions in government are made collectively and there is no individual ministerial accountability. The Prime Minister’s Office (PMO) plays a significant role in the coordination process. This is also the case for the Department of Finance. Furthermore, when the incumbent government is a

coalition government, as has been the case since 2006, policies must be coordinated not just among the relevant departments but also among the governing parties.

The practice of governing and coordination is much more complex. Each department has a fair amount of autonomy in their respective sector. Coordination among departments takes place at different organizational levels depending on whether the issue is a technical and administrative issue, or whether it is a more political matter. With the latter, political actors make the final decisions. When bills involving more than one department are drafted, coordination is achieved through meetings where drafts of the bill are discussed. There are instances where drafts have gone through a very large number of revisions as part of the coordination process. In pro-growth policies in the mid-2000s, for instance, the bill that eventually was submitted to the Riksdag was the 56th version of the bill.

The lack of coordination has to some extent been resolved by increasing the centralization within the Government Office. The Ministry of Finance has become a “*primus inter pares*” among the departments.

The PMO rarely coordinates policy content, which generally takes place during the process of deliberation or drafting of bills.

Citation:

Dahlström, C., B. G. Peters and J. Pierre (eds) (2011), *Steerings from the Center* (Toronto: University of Toronto Press).

Jacobsson, B., J. Pierre and G. Sundström (forthcoming), *Governing the Embedded State* (Oxford: Oxford University Press).

Niemann, C. (2013), *Villkorat förtroende. Normer och rollförväntningar i relationen mellan politiker och tjänstemän i Regeringskansliet* (Stockholm: Department of Political Science, University of Stockholm).

Pierre, J. and G. Sundström (eds) (2009), *Den nya samhällsstyrningen* (Malmö: Liber).

Premfors, R. and G. Sundström (2007), *Regeringskansliet* (Malmö: Liber)

GO Gatekeeping  
Score: 9

The GO or PMO always have the final say on policy decisions and can return items on grounds of technical grounds. The only exception to this rule is when there is minority government and the parliamentary majority makes a decision which is in conflict with the government’s proposal.

However, given the distinct top-down nature of the work in the GO, items rarely proceed very far without an approving nod from upstairs, so it is not very common that policy items are returned in the final stage of the decision-making process. When this happens, it is usually because the timing of a given proposal is not politically advantageous or it is unclear how the policy will be funded. It can also be the case that the European Union adopts a policy that renders a domestic policy moot. A final observation is that for the current government, which is a coalition government, policy-progress must be

coordinated not just among departments, but also among the governing partners.

Citation:

Premfors, R. and G. Sundström (2007), *Regeringskansliet* (Malmö: Liber).

#### Line Ministries

Score: 7

The leadership of the GO and the PMO are primarily involved when policies are initiated, when final decisions are to be made, and if a disagreement emerges among the governing parties or ministers. However, the line nature of the GO organization – and the chain of command between the political and the administrative levels – means that the top leadership, apart from initiating and deciding on policy, does not routinely monitor its development. There are instead regular briefings and informal consultations. This informal coordination procedure nevertheless ensures that the PMO, in line with the Ministry of Finance, play a crucial role in policy developments.

It should also be noted that line ministries frequently ask for advice from their executive agencies during the early stages of the policy process.

#### Cabinet

##### Committees

Score: 1

There are no standing cabinet committees in the Swedish system of government. Cabinet proposals are coordinated through iterations of sending drafts of bills to the concerned departments. This usually takes place at the middle level of the departments and thus does not involve the political level of the departments.

The Cabinet is both a policy-shaping institution as well as the final institution of appeal on a wide range of issues. There is also a requirement that the Cabinet has to be the formal decision-maker on many issues. This means that the Cabinet annually makes more 100,000 decisions (mostly in bulk).

#### Ministerial

##### Bureaucracy

Score: 7

As mentioned earlier, most of the daily coordination on policy matters does not involve the political level of the departments, but is instead handled at the administrative level. However, as soon as coordination takes place on a political dimension, it is “lifted” to the political level.

Coordination within the GO remains a major problem, as mentioned earlier. Despite sustained efforts to increase coordination among the departments in order to steer the agencies more effectively, many departments still find it difficult to coordinate policy across departmental boundaries. During the period of review, there were still “gaps” between the line ministries and some ministries still maintained their own “subcultures”.

Citation:

Niemann, C. (2013), *Villkorat förtroende. Normer och rollförväntningar i relationen mellan politiker och tjänstemän i Regeringskansliet* (Stockholm: department of Political Science, University of Stockholm).

Informal  
Coordination  
Score: 8

Informal mechanisms of coordination are common and important in the Swedish system, although they may not always be effective. Such informality occurs both at the civil servant level as well as at the political level. Informal coordination procedures effectively filter many, but not all, policy proposals.

### Evidence-based Instruments

RIA Application  
Score: 7

The purpose of regulatory impact analysis (RIA) is to assess the degree to which regulation has negative and/or unintended consequences for the targets of regulation. More broadly, RIA is nowadays used to avoid increasing regulatory burdens on private businesses. RIAs are also used to examine which regulatory framework could be simplified or abolished.

Sweden, according to an evaluation, has had “rather modest” results from RIAs. Simplifying rules pertaining to private businesses has been an important part of economic development policy over the past several years, but RIAs as a specific model of analysis do not seem to be used systematically and over a broad range of issues.

Citation:

Erlandsson, M. (2010), *Regelförenkling genom konsekvensutredningar* (Stockholm: Sieps).

Quality of RIA  
Process  
Score: 7

As mentioned, RIAs play some role in Sweden but the system is less elaborate compared to many other countries. The Swedish model of RIA seems to perform reasonably well with regard to participation and communication but less so in terms of independent evaluations.

Overall, simplifying regulatory frameworks appears to be conducted fairly ad-hoc. For instance, the Simplex project in the Department of Industry and Economic Development aimed at removing regulations that were either obsolete or unnecessarily obstructing private businesses. The project appears to have practiced RIA without applying the entire RIA framework.

Sustainability  
Check  
Score: 7

Environmental sustainability is one of several mainstreamed goals in the policy process. In theory at least, all government bills, procurements, and directives to Royal Commissions are supposed to be assessed to determine their impact on environmental sustainability. As for other types of sustainability criteria, there is little evidence available about the degree to which they are considered in the RIA process.

### Societal Consultation

Negotiating  
Public Support  
Score: 7

Consultation with societal actors has historically been of a defining feature of Swedish (and Scandinavian) neo-corporatist governance, and such

arrangements are still in place to a large extent. In this corporatist arrangement, government consults with key societal partners on a wide range of issues. Stakeholders are thus given an opportunity to influence public policy from the early stages of the policy process until implementation.

The more specific nature of the relationship between the state and societal actors is changing, however. Previously, these contacts were institutionalized with all major players invited to provide input on almost all major policy issues. Today, these consultations are more ad-hoc and strategic. The government seems to operate on the assumption that bringing in societal actors tends to increase public expenditure. While this is not an unreasonable theory, it nonetheless has had the effect that the inclusion of societal actors is less extensive today than it was 20 to 25 years ago. The previously mentioned decline of the Royal Commissions is one important example of the reduction of societal consultation in Sweden under the period of review. Overall, most observers today agree that corporatism as a model of governance has been significantly weakened in Sweden.

However, there have also been some tendencies toward increasing societal consultation. The increasing significance of so-called new modes of governance – networks, markets, partnerships and so on – has opened up new arenas for exchanges and communication between government institutions and organized interests. Also, studies show that societal actors now target specific institutions rather than engaging the state as a whole. Unions, for example, still target public institutions that draft policy, whereas business organizations are more active vis-à-vis executive agencies.

Citation:

Héritier, A. and M. Rhodes (eds) (2011), *New modes of governance in Europe* (Basingstoke: Palgrave).

Heinrich, C. J., L. E. Lynn, Jr., and H. B. Milward (2010), "A State of Agents?: Sharpening the Debate and Evidence over the Extent and Impact of the Transformation of Governance", *Journal of Public Administration Research and Theory* 20 (suppl 1):i3-i19.

Pierre, J. and B. G. Peters (2005), *Governing Complex Societies* (Basingstoke: Palgrave).

Svensson, T. and P-O. Öberg (2010), "Does Power Drive out Trust? Relations between Labor Market Actors in Sweden", *Political Studies* 58:143-166.

Öberg, P-O, S. Oskarsson and T. Svensson (2011), "Similarity versus Homogeneity: Contextual Effects in Explaining Trust", *European Political Science Review* 3:345-369.

## Policy Communication

Coherent  
Communication  
Score: 9

Improved communications dovetails with increasing coordination among the government departments. During the past couple of years the government has developed and implemented a more coherent communications strategy. The flow of communication from government departments and the PMO is now carefully controlled such that only a very limited number of officials are

authorized to engage the media or other actors outside the core of government.

This strategy is very similar to the communications strategies today used in countries such as Canada and the United Kingdom. This strategy implies that cabinet ministers carefully assess invitations from radio and TV and, perhaps surprisingly, frequently decline those invitations if they cannot control the format or if they are to debate with representatives from the opposition.

This strategy has been rather successful; it may even have been too successful. The media are increasingly complaining about problems with access to ministers or other representatives of the governing parties. There is also increasing frustration with the government's tendency to be slow in providing the media with public documents. Even among several agencies there is now frustration about the decreasing access to government departments and government information.

Citation:

Dahlström, C. J. Pierre and B. G. Peters (eds) (2011), *Steering from the Center* (Toronto: University of Toronto Press).

Erlandsson, M. (2008), "Regeringskansliet och medierna. Den politiska exekutivens resurser och strategier för att hantera och styra massmedier", *Statsvetenskaplig tidskrift* 110: 335-49.

## Implementation

Government  
Efficiency  
Score: 9

The implementation capacity of the Swedish government is strong. The circa 330 executive agencies are the key actors in the implementation of policy. Over the past few years, the departments have increased the steering of their agencies. Also, performance measurement and management have become increasingly important in monitoring the agencies and the implementation process.

Yet like the challenge of efficient policy coordination, policy implementation is also a challenge under the restrictions of new governance forms. The relationship between the government and the agencies is no longer a strict command and control pattern; rather, it is a more interactive form of governance where departments utilize the expertise in the agencies already during the early stages of the policy process. To some extent, and with considerable variation among policy sectors or even specific issues, agencies provide informal advice to government on policy design. This arrangement means that agencies are involved in shaping the policies they will later implement. This arrangement obviously increases the agencies' commitment to policy, but at the same time it complicates the implementation process.

Citation:

Premfors, R. and G. Sundström (2007), *Regeringskansliet* (Malmö: Liber).

Ministerial  
Compliance  
Score: 10

In Sweden, ministers and departments do not implement policy. The task is handled by the executive agencies. A major concern in Sweden is the degree to which ministers can, and should, steer the agencies. Swedish agencies are highly autonomous but departments can formally steer them by appointing the Director General of the agency, deciding on the regulatory and institutional framework of the agency, and allocating financial resources to specific tasks and programs.

In Sweden, as in many other countries, the relationship between departments and agencies, and the willingness of the latter to implement policies defined by the former, can hinder or enable implementation. In Sweden, the relationship between departments and agencies is an institutional relation, not a personal relation between a minister and the director of an agency. Thus, to the extent that it is meaningful to talk about incentives, they have to be organizational incentives. Furthermore, implementing policy is a core role for the agencies, so incentives are hardly necessary.

Citation:

Premfors, R. and G. Sundström (2007), *Regeringskansliet* (Malmö: Liber).

Jacobsson, B., J. Pierre and G. Sundström (2015), *Governing the Embedded State: The Organizational Dimension of Governance* (Oxford: Oxford University Press).

Monitoring  
Ministries  
Score: 9

Formally, ministries are not very involved in the implementation of policies. It is rather the task of agencies to implement policies. Nevertheless, Swedish ministries still control the implementation process of the agencies. The relationship between ministries and agencies implies monitoring by communication and mutual adaptation, less than through a hierarchical chain of command.

Monitoring  
Agencies,  
Bureaucracies  
Score: 9

Government departments in the GO monitor the activities (not just implementation) of the agencies quite closely. Since the introduction of performance management some 15 to 20 years ago, agencies report to their parent department on their performance targets. In fact, many believe the reporting, which requires agencies to spend a lot of time and effort reporting on their performance to their respective department, is so extensive it has become burdensome.

It should be noted that there is a significant imbalance between the departments and the agencies. The GO has a total staff of about 4,500. The total staff in the agencies is about 230,000. Thus, the steering structures in the system are considerably smaller than the targets of that steering. This state of affairs has encouraged the use of informal communication between

departments and agencies to supplement formal steering.

Citation:

Jacobsson, B., J. Pierre and G. Sundström (2015), *Governing the Embedded State: The Organizational Dimension of Governance* (Oxford: Oxford University Press).

Task Funding  
Score: 7

Unfunded, or insufficiently funded, mandates has been a longstanding issue in Sweden; indeed recent studies show an almost complete unanimity among local governments with regard to their frustration of insufficiently funded mandates. Subnational governments enjoy extensive autonomy in relation to the central government in Sweden. Local governments and their national association, Swedish Association of Local Authorities and Regions (SALAR), have insisted that all tasks placed upon them by central government must be fully funded.

SALAR has made this claim an overarching principle, which it now emphasizes every time the central government delegates tasks to local authorities. Instead of fully funded mandates, though, the central government frequently negotiates the funding aspect of delegated tasks with the local governments and SALAR.

Citation:

Pierre, J. (2014), *Globalization and Governance* (Cheltenham: Edward Elgar).

Constitutional  
Discretion  
Score: 9

Although unfunded mandates have been much debated, central government overwhelmingly respects local autonomy. Local government enjoys extensive autonomy, which is guaranteed by the constitution. Indeed, the strength of local autonomy adds to the fragmented nature of the Swedish political system and sometimes creates problems in governance and coordination.

The constitution does not define any limits for local government action. During the period of review, central government did not question the principle or the exercise of local autonomy. The only exception to this rule is when there are major national interests at stake and when the involvement of local government is integral to the pursuit of a national policy as it is the case with the accommodation of the increasing number of asylum seekers in Sweden.

National  
Standards  
Score: 6

Public services have been extensively decentralized over the past decades. Once services are transferred from central to local government, safeguarding national standards and even defining and sustaining those standards becomes problematic. The same problem applies to increasingly privatized services, where the oversight over national standards becomes even more challenging.

Decentralization and local autonomy are essentially institutional choices and, as all choices, these arrangements have their downsides. One of the problems

with a decentralized system is that it becomes very difficult to enforce national standards. This became obvious to the government after the extensive decentralization reform during the 1980s and early 1990s. In primary and secondary education, the past two decades have witnessed central government trying to regain some control in order to ensure some degree of national standards. The main strategy toward this objective has been to carefully evaluate the performance of schools and publicize evaluation reports (i.e., to “name and shame” underperforming schools). In addition, central government has tried to increase equality among local authorities by revising the general regulatory framework of primary and secondary education, and by targeting financial resources to improve the quality of teaching.

### Adaptability

Domestic  
Adaptability  
Score: 10

Following Sweden’s EU membership, which came into force in the mid-1990s, there has been a sustained effort to adapt government, policy and regulation to European Union standards. The bulk of this adaptation relates to changes in domestic regulatory frameworks and policies, a development that does not impact the structure of government.

Estimates suggest that some 75% of the regulations that pertain to Sweden are today EU rules, not domestic rules. This pattern is probably typical for all EU member states.

Most of the adaptation has taken place not at the policy level, but on the administrative level, for instance by integrating domestic regulatory agencies with EU agencies.

Citation:

Jacobsson B. and G. Sundström (2006), *Från hemvävd till invävd: Europeiseringen av svensk förvaltning och politik* (Malmö: Liber).

International  
Coordination  
Score: 9

Sweden has maintained a rather high international profile on a number of issues requiring international collective action. These issues have traditionally included disarmament, human rights, international solidarity and more recently, climate change.

Sweden tends to look at itself as an international broker and coordinator, though it may exaggerate its capacity in this regard. Certainly, Sweden, together with several other smaller nations, exerts some degree of international influence.

Citation:

Ingebrietsen, C. (2006). *Scandinavia in World Politics* (Lanham: Rowman & Littlefield).

## Organizational Reform

Self-monitoring  
Score: 9

Institutional arrangements of governing obviously covers a wide array of arrangements. As indicated earlier, it is astounding in many ways to think that Sweden has transformed politically from a pre-democratic system to a democratic state, embedded in an international union such as the European Union, with only a minimum amount of institutional and constitutional reform. Such a transformation testifies to the capacity of institutions to accommodate change. Given their institutional capacity to adapt to external change, institutional arrangements as such are rarely assessed.

The Cabinet and government departments were reformed (i.e., merged and/or abolished) during the 1980s and 1990s, but today most observers seem to agree that this type of reform rarely solves any problems. Instead, the main institutional monitoring and reform takes place at the agency level where the number of agencies has decreased by about 25% over the past five to six years. While some agencies have been abolished, the bulk of reduction has come from mergers. In 2014 there are about 330 agencies in the Swedish administrative system. This reduction in the number of agencies says very little about the extent of regulation; in some ways it is a numbers game aiming to communicate the image to the voters that the government is cutting back in central bureaucracy. That having been said, there is more or less continuous assessment of the agency system and the performance of agencies in service delivery and policy implementation.

Agencies are monitored fairly closely, so much so that a couple of recent Royal Commissions have recommended that agencies should not have to provide data on their performance with the same frequency as they do today, and that the system should allow for more variation among agencies in this respect.

Citation:

SOU 2007:75 Att styra staten - regeringens styrning av sin förvaltning.

SOU 2008:118 Styra och ställa - förslag till en effektivare statsförvaltning

Institutional  
Reform  
Score: 9

While the structural design of the Swedish system looks almost identical to how it did a century ago, there have been substantive changes in the modus operandi of institutions at all levels of government, particularly concerning the relationship between institutions. Perhaps most importantly, coordination among government departments has increased. Furthermore, the agency system is continuously reviewed and the structure of the system is reformed, for instance through mergers of agencies. Third, the departments' steering of the agency has increased, formally and informally.

It is fair to say that the design and functionality of the system is continuously assessed. Over the past decade, issues related to steering and central control have dominated reform ambitions.

## II. Executive Accountability

### Citizens' Participatory Competence

Policy  
Knowledge  
Score: 9

The Swedish population has a strong interest in politics. Election turnout is still very high by most international comparisons. The turnout in the 2014 general elections was 85.8 percent which was an increase of 1.2 percentage points from the previous election. Swedish voters tend to decide very late for which party to vote, which may be interpreted as the voters' desire to gather as much information on political parties as possible before they make their final decision.

The definition of high or low levels of political knowledge is obviously a relative measure. Official data on the knowledge level of Swedish voters is not available. It can, however, be assumed that voters here are not significantly more – or less – knowledgeable than their colleagues in comparable countries.

Recent studies suggest that if voters had been more knowledgeable on political issues this would have changed their party allegiance. Increasing levels of knowledge should reduce the support for the two major parties – the moderates and the Social Democrats – while most of the other, smaller parties would have benefited. This is a purely hypothetical study, as the perfectly informed voter does not exist.

Citation:

Oscarsson, H. and S. Holmberg (2013), *Nya svenska väljare* (Stockholm: Norstedts Juridik).

Oscarsson, H. (2007), "A Matter of Fact? Knowledge Effects on the Vote in Swedish General Elections, 1985-2002", *Scandinavian Political Studies* 30:301-322.

### Legislative Actors' Resources

Parliamentary  
Resources  
Score: 9

MPs can monitor all aspects of government activities. They can find some support for these and other activities from the parliament's (riksdagen) administrative support (riksdagens utredningstjänst, RUT). RUT conducts

Obtaining Documents Score: 10	<p>inquiries requested by groups of MPs. Individual MPs in Sweden receive rather little administrative support; instead, support is given to the political party organizations within Parliament.</p>
	<p>Parliamentary committees (or indeed any person) have the right to review all public documents in Sweden unless they are classified or are part of an ongoing decision-making process.</p>
	<p>In this respect, the Swedish system leaves very little to be desired. The problem has been the execution of these rights. In the annual reviews conducted by the Parliamentary Committee on Constitutional Affairs (KU) during the past several years, the committee has severely criticized the government's central office (regeringskansliet) for not providing documents, or for being exceedingly slow in doing so. The media, too, has been critical of the government in this respect.</p>
Summoning Ministers Score: 10	<p>Parliamentary committees summon ministers who appear and respond to questions. This is most frequently the case with the annual review conducted by the Parliamentary Committee on Constitutional Matters, but has been used by other committees, too. Except for very few cases, ministers will appear in parliamentary committees when summoned.</p>
	<p>The hearings occur regularly and are often broadcasted by public service television. The results of the hearings are published and accessible to everyone.</p>
Summoning Experts Score: 10	<p>Parliamentary committees may certainly summon experts. They do not usually do so as part of the regular deliberation of the committees, but rather in the form of a public hearing on some specific issue.</p>
Task Area Congruence Score: 9	<p>There is a high degree of congruence between government departments and parliamentary committees, but no perfect overlap. This is of course no coincidence. Ensuring that the committee system matches the GO's organization in departments is essential to the efficiency of both institutions. Furthermore, the GO and the Riksdag staff have regular meetings to ensure that the parliament and individual committees are not overloaded with government bills, but that there is a steady flow of bills across the year.</p>
Audit Office Score: 8	<p>For a long time, Sweden was one of the few countries where the audit office reported to the government and not to the parliament. In order to conform to international standards, such as the International Organization of Supreme Audit Institutions (INTOSAI), this institutional arrangement was changed in 2003. The audit office now reports primarily to the parliament, but also to some extent to the government.</p>

Ombuds Office  
Score: 10

It is fair to say that Sweden invented the ombudsman institution. Sweden currently has seven ombudsmen who focus on the following: legal matters, gender equality, consumer matters, discrimination, discrimination on the basis of sexual orientation, matters related to disability and matters related to children.

The ombudsman for legal matters (JO), which has been around the longest, is appointed by the parliament, while the government appoints the other ombudsmen. Some of them are their own agencies.

Assessing the effectiveness of the ombudsmen is a difficult task. Their mission is not only to follow up on complaints but also to form opinion in their area of jurisdiction. Their position in the political system and in society appeared to be quite strong during the review period.

### Media

Media Reporting  
Score: 9

Together with Norway, Japan and Finland, Sweden ranks very high regarding the news consumption. The overall quality of the political coverage provided by Swedish media is good, if not extremely good.

Public service radio and TV in Sweden is still central to the media system. There have been discussions and Commissions concerning the future of public service but so far no major changes have been put on the agenda.

Compared to many other countries, the coverage is presented by journalists who are experts on Swedish politics. The level of analysis is good and, for most the part, balanced. There is obviously sometimes less professional coverage, too, but taken together, the quality of Swedish newspapers is very good.

### Parties and Interest Associations

Intra-party  
Democracy  
Score: 8

Politics in Sweden is party politics. The political parties shape public discourse on political issues and control public decision-making at all levels of the political system. All the major parties have developed extensive party organizations, in part supported by state subsidies. Party membership has historically been high but has declined over the last couple of decades. Elected delegates from all constituencies make decisions on party policy and programs at national conferences. These meetings are increasingly public events, used not only as forums to make decisions, but also to market the party politically. Beyond that, however, rank and file members are very rarely consulted or

invited to voice their opinions on daily policy issues.

Candidate selection, too, is an internal party matter. Voters do have the opportunity to indicate support for specific candidates, however.

Over the past years, the Internet has played a role in making the decision-making process within the major parties more open. The Social Democratic Party, for instance, discussed some issues of the party's platform in blogs and on its homepage. In such instances, even those who are not members of the party can join in the formulation of the party's platform.

Association  
Competence  
(Business)  
Score: 9

Sweden has a long corporatist tradition. Although corporatism as a mode of governance has declined, economic interest associations are still important players in the policy process.

The major business interest organizations and unions are certainly very capable of analyzing the economic situation and presenting policy proposals. As organized interests, they obviously pursue their respective agendas, but overall, the expertise and policy capacity of the major interest organizations is impressive. During the global economic crisis, for example, the interest associations showed a high degree of responsibility by not counteracting the crisis management of the government.

Association  
Competence  
(Others)  
Score: 9

For non-economic interest associations, their capacity to conduct analysis and produce relevant policy proposals varies significantly depending on their size.

For instance, in the environmental policy field, the major interest organizations have a large staff that conducts high quality studies and presents highly relevant policy proposals. In other policy fields, small interest associations do not have the staff to produce high-quality policy proposals. Yet if we assess the quality of non-economic interest associations over the very broad range of all Swedish interest associations, most of them produce high quality policy proposals.

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