

SGI Sustainable Governance Indicators 2011

Sweden report

Jon Pierre, Sven Jochem, Detlef Jahn



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Prof. Jon Pierre, University of Gothenburg

Prof. Sven Jochem, University of Bamberg

Prof. Detlef Jahn, University of Greifswald

Executive Summary

In Sweden, where party politics still dominate the democratic decision-making process, democratic governance is stable and adaptive. Although partisan alignments are eroding and voter volatility is on the rise, many people continue to uphold the Swedish pattern of democratic governance and the country's economic performance in globalized markets as a model. Developments in the recent past give rise to the impression of dynamic stability.

However, the institutional foundations of the Swedish model have changed in recent years. This is true in terms of both how decision-making is carried out and the content of policies. The center-right government has implemented new forms of policy deliberation, focusing primarily on scholarly experts and foregoing the systematic inclusion of interest organizations. It has also begun assessing all welfare programs with twofold goal of further deregulating and privatizing the welfare state while providing greater freedom of choice for Swedish citizens. Some of the implemented measures do not, at first glance, undermine the logic of the Swedish welfare model. But the reforms implemented in family, labor market, and tax policies indicate that moderate changes have taken place. Tax policy reforms in particular suggest a genuine break with traditional patterns.

Until the global financial crisis, Sweden demonstrated impressively strong economic performance. Initially, the center-right government reacted cautiously by introducing stabilization packages targeting education, employment activation, and infrastructure. In this sense, the government continued the Swedish tradition of pursuing policies that soften the blow of structural change, and it did not ardently pursue its stated goal of deregulating the country's social welfare services. The center-right government therefore stabilized instead the Swedish welfare state. It remains unclear just how rapidly the Swedish economy will recover, but given the country's favorable economic framework (i.e., innovation, flexibility, research and development, education) and political conditions (i.e., sound fiscal budgets and policy ambitions), a fast recovery is possible.

Strategic Outlook

Sweden is a wealthy country with a political system able to make good use of its resources in implementing successful reform policies. Thanks to norm-based fiscal policies, balanced public budgets, prodigious public investment in research and development, and a highly innovative economy that benefits from sound education policies yielding a highly skilled labor force, Sweden's labor market traditionally shows strong performance. Nevertheless, Sweden faces three major challenges in the near future.

The first challenge is an economic challenge related to the problems ushered in by the global financial crisis. It remains to be seen if the government can accomplish the goal of balanced budgets in the near future. This will depend on the international recovery of trade, the development of the Swedish labor market, and future tax policies. The center-right government is sure to follow its agenda of gradually reducing taxes should it continue to carry its mandate.

The second challenge relates to reforming administrative competencies and subnational government powers. The Central Government Office (CGO) is not a powerful source of goal-oriented coordination and is limited in its ability to coordinate reform ambitions within the government. The main source of goal-oriented coordination is provided by the annual budget process, which puts the Ministry of Finance in the driver's seat and allows it to coordinate the reform process. The government's administrative capacity to govern is in need of reform and there are projects targeting this goal currently under review. The center-right government has introduced new forms of policy advice that should enable clear policy proposals to be rapidly formulated. The government has also attempted to reform the regional landscape of the Swedish counties (subnational governments), albeit without clear success.

The third challenge relates to the integration of immigrants into Swedish society and the economy. Sweden shares this challenge with most other European countries. Stated policy ambitions have to date not been met, and immigrants continue to suffer cultural and economic exclusion.

Status Index

I. Status of democracy

Electoral process

Candidacy
procedures
Score: 10

During the period under review, the electoral process was free and fair. The electoral system leaves the nomination of candidates to the political parties and their organizations. The legal framework of candidate nomination does not discriminate against any group or individual. The selection of the respective top candidates of the Swedish parties is an event intensively observed by the media and the public.

Since the national election in 1998, there is the opportunity to indicate preferences not just for a particular party but also for specific candidates. However, as of today, few voters have exercised the opportunity to indicate support for a particular candidate. This voting has been used by approximately 25% of the electorate and a declining trend is observable.

Citation:

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

Media access
Score: 9

All candidates and parties have equal opportunities of access to the national media and other means of communication. However, specific parties are more extensively covered by media outlets that share the respective political attitudes. During the period of review, a right-wing party (Sverigedemokraterna, SD), founded in 1988, gained ground in the national electoral process. The biggest newspapers refused to publish advertisements of this party. However, currently the SD has accessed national media, albeit the evaluation of the party in most national news-papers is critical.

It is noteworthy that in Sweden, as in many other European countries, the usage of new media and new forms of information is increasing. In this respect, the national electoral process is observed in "old media" such as newspapers and TV but increasingly also in the internet with specific forms of advertisement, information and political campaigning.

Social media have been deemed increasingly important for private campaigns. It is not clear what role those media will play in election campaigns after the individual candidate preference indication system has been abolished.

Citation:

SOU 2007:68 Ett decennium med personval [A decade of personalized voting] (report from a Royal Commission).

Voting and
registrations rights
Score: 10

The Swedish electoral system meets the highest requirements in terms of eligibility, transparency and the right to participate. For a long time, national turnout has been comparatively high.

Party financing
Score: 7

Political parties in Sweden receive public financial support. From October 2009 until October 2010, the parties represented in parliament (Riksdagen) received SEK 164 million (approximately €17 million) from the state, contributed to the parties in regard to their relative strength. One party not included in the parliament, the right-wing SD, received SEK 990.000 because of the votes gained in the national election in 2006. In addition, the members of parliament receive further public support for several duties they have to accomplish (SEK 249 million, approximately €26 million). Of course, Swedish parties receive support from private sources too. There is no legislation that requires the parties to disclose the private sources of financial support. The political party organizations argue that by disclosing the names of donors they would compromise their political integrity. There is a voluntary agreement among the parties to disclose their budgets to each other but names of specific donors are not included. There is no public institution that effectively monitors contributions to the party organizations. However, despite the lacking legal framework, the intensive observation of party politics in the media and the public discussion about this salient issue makes corruption less probable compared to problems disclosed recently in other countries such as the UK or Finland.

Citation:

Partistöd (http://www.riksdagen.se/templates/R_PageFull____7878.aspx, access 24 June 2010).

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 a secure freedom of the press.

Sweden's state-owned radio (SR) and TV channels (SVT) have a long history as public service corporations. The incumbent governments appoint the respective boards. However, there is no evidence that Swedish governments have ever sought to use that position to control programs, productions or the political statements put forward in the public media. The Swedish Radio Act and charters between the government and SVT guarantee the independence of public media from pressure groups and political parties.

As a result of recent deregulation, the supply of private radio and TV media increased significantly. There is no evidence that these private media are influenced by the state, political parties or pressure groups.

Print media are privately owned. The private media are independent from government influence. Despite concentration of print media in some organizations and companies, these media are independent from political or financial pressures. The public places a great deal of importance on the degree of freedom of the media.

It is noteworthy that trust is especially high in public media (TV and radio), whereas trust into private media (especially TV) is lowest in Swedish society.

Media pluralism
Score: 8

There is a high degree of pluralism in the media market with intense competition among different groups of publishers and consortia. In the period under review, concentration of private media increased further. However, the EU and the Swedish public have followed this process of increasing concentration with a critical view .

As in other countries, the growing importance of social media (internet, blogs etc.) should be noted. Because they operate outside the regulated and official structures of the media market, they provide new patterns of public debate. Political parties react to this trend and try to invest in new forms of campaigning in the internet. It remains to be seen if this trend will counteract the ongoing concentration in the private media market.

Access to gvmnt.
information
Score: 10

Sweden is a forerunner when it comes to public access of government information and documents. This fundamental principle remains cherished both by the elite and the public. 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.

Civil rights

Civil rights
Score: 9

Sweden represents a typical state under the rule of law in which a constitution defines all aspects of public, political and administrative processes. Legal security, equal treatment and predictability remain core values of public administration. That having been said, Sweden has been repeatedly criticized by international NGOs such as Amnesty International for purported flaws in the legal system and the exercise of the law. Examples include holding suspects in custody without trial for longer periods than allowed and extraditing Swedish citizens suspected of terrorism to the CIA without proper trial.

Furthermore, organized crime has taken a hold in the metropolitan regions in Sweden. A number of individuals have been the victims of extortion for “protection.” National police have made curbing organized crime a priority and crack down on these groups with increasing frequency. However, in terms of the infringement of individual freedom caused by private actors such as organized crime, this is a very real and growing problem. The incumbent government included increased spending to the police and the judicial system into the crisis package after the financial crisis. It remains to be seen if this will contribute to increasing public security and civic rights in times of increasing organized crime.

Political liberties
Score: 10

Political liberties and human rights are written into the constitution. As an advanced democracy, the judicial system and legislative institutions in Sweden effectively sustain these liberties .

Non-discrimination
Score: 9

Together with Denmark, Norway and the Netherlands, Sweden ranks as one of the most egalitarian societies in the world. Sweden has in many ways led the struggle for equal opportunities, equality in political representation and in the labor market. However, there are, for example, still wage differences (which are in fact increasing) between men and women doing the same job; there are few women on the boards of major corporations, and so on. Sweden’s ombudsman system includes an ombudsman for gender discrimination cases. While cases of gender discrimination are rare, they still exist.

In terms of physical ability, in 1994, Sweden introduced a rights-based legislation stating that people with severe dysfunctions should be entitled to a personal assistant to help her/him through his/her daily routines. This legislation marked a significant financial commitment by the state in the excess of SEK 10 billion (approximately €1 billion) per annum but seems not to have significantly improved the lives of people with physical dysfunctions. More recently, the National Agency for Social Insurances has begun to reassess the conditions under

which physically challenged people should be entitled to a personal assistant. There are reports in the media about people with severe handicaps who are now about to lose their personal assistant.

Sweden is an increasingly heterogeneous society in terms of ethnicity. Integration policies are highly contested in the public debate. The Discrimination Ombudsman, however, ensures the visibility of ethnic discrimination and boosts the public debate. In this respect, the Swedish government critically reports on the degree of unsuccessful ethnic integration. After the election in 2006, the centre-right government installed for the first time in history a non-native citizen (Mrs. Nyanco Sabuni) as Minister of Integration and Gender Equality.

Rule of law

Legal certainty
Score: 10

Sweden is a strong constitutional state (“Rechtsstaat”). Lawfulness, transparency and procedural fairness are core values of the Swedish democracy. Sweden belongs to a group of countries where the law is the key instrument of public decision-making. Corruption is all but non-existent.

As in many countries, however, market-based administrative reforms in the past challenged to a certain extent the legality of public administration. Redefining citizens into “customers” challenges much of the individual’s legal basis for his/her interaction with public services . These reforms may threaten entrenched norms such as equal treatment. During the period of review, no evidence can be reported that these reforms undermined legal certainty and predictability of the government and public administration. Additionally, the Ombudsman of Justice surveys the rule of law in Sweden.

Judicial review
Score: 10

The Swedish system of judicial review functions well. In contrast to, for example, Germany or the United States, judicial review in Sweden is not so elaborate and central to the legislative process. Nevertheless, under the Swedish constitution, courts are allowed to ignore legislation, which they find to be inconsistent with the constitution. In addition, Sweden has a system of judicial preview where the Council on Legislation (“Iagrådet”) is to be consulted on all legislation that potentially or actually relates to constitutional matters. The institution’s review (or preview) goes beyond that assignment and nowadays includes an overall assessment of the quality of the proposed legislations. The government and the parliament have the right to ignore the Council’s advice.

Appointment of
justices
Score: 10

The justices in the Supreme Court (“Regeringsrätten”) are appointed by the Cabinet. They are not considered to be political appointments. Candidates do not state a party preference and the only criteria for eligibility are judicial expertise and tenure. There is modest media coverage of the appointments. The reason for this may be that the Swedish Supreme Court is not a political body like in Germany or the United States. Its key roles are to serve as the final court of appeal and to set precedence on judicial matters. The neutrality of the Swedish Supreme Court can be judged as very high.

Corruption
prevention
Score: 10

Sweden is, comparatively, one of the countries with the lowest corruption. Furthermore, trust in the institutions of the Swedish democracy and in Swedish administration is high by any international comparison. The very few cases of alleged corruption that have surfaced over the past couple of years have mainly occurred at the local government level. The low frequency of corruption may simply not be tempting, given the size of the public sector and the fairly extensive autonomy of civil servants. Despite this, however, the rule of law remains still strong and there have been very few cases of actual or alleged corruption.

II. Policy-specific performance

A Economy

Economy

Economic policy
Score: 8

The trajectory of economic development over the past decade in Sweden has been very positive. Sweden chose not to join the euro zone but its economy has consistently fared better than the euro zone countries in terms of key parameters such as inflation rate, unemployment and budgetary balance. Both the previous and the current governments can be described as financially conservative; reform is influenced by a constant close look at the economy and a fear of building up budgetary deficits.

In 2006, the center-right government inherited a flourishing economy and pursued two economic goals. First, the government launched further measures to increase employment. The main pillar of this strategy is the gradual introduction of an earned-income tax credit scheme. Second, the center-right government pursued further privatization measures of the large public sector in Sweden. And the government announced its intention to reassess the core welfare

programs, to provide more choice in welfare services (education, health services etc.) and to reduce the number of persons permanently on welfare support.

The main economic problem in Sweden is how to combine economic change with economic growth and generous welfare programs. The corner stone of the Swedish model is the capability to tax Swedish firms and citizens in order to maintain fiscal solidity in an encompassing welfare state.

Since 2008, the center-right government implemented far-reaching crisis packages in order to dampen the impact of the global financial crisis. Immediate policies targeted stabilizing the Swedish financial system with an openness towards volatile East-European financial systems. In a second step, the government introduced discretionary fiscal stimuli in order to stabilize domestic demand and employment. However, the government implemented fiscal crisis policies rather slowly. As a consequence, the budgetary deficits increased slightly. The government forecasts a rapid return to balanced budgets and fiscal consolidation. This will depend on the development of the international economy and the development of open unemployment in Sweden, which has increased significantly since 2008.

Citation:

Finanspolitiska rådet. Svenskt finanspolitik 2010, Stockholm: Finanspolitiska rådet (<http://www.finanspolitiskaradet.se/download/18.6c09f59d1287ef288f9800067863/Svensk+Finanspolitik+2010.pdf>)

Fiscal Policy Council. Swedish Fiscal Policy, Stockholm, 2009

Jochem, Sven. Sweden Country Report, in: Bertelsmann Stiftung (Hg.), Managing the Crisis. A Comparative Assessment of Economic Governance in 14 Economies, Gütersloh: Bertelsmann Stiftung 2010.

OECD, Economic Survey: Sweden, Paris: OECD, 2008.

World Economic Forum. The Global Competitiveness Report 2009-2010

Labor market

A peculiarity of Swedish politics is that the battle against unemployment is a policy priority shared by all political parties. Swedish labor market policies have traditionally been built on heavy investments in active labor market policies, keeping unemployment rates very low until the crisis of the 1990s. Unemployment then began to grow, hovering at moderate levels until the global financial crisis of 2008, after which open unemployment reached 10%. A prominent contemporary problem is high youth unemployment.

Labor market policy
Score: 8

Once highly regulated, the Swedish labor market has undergone some deregulation since the 1990s. Nevertheless, powerful trade unions continue to defend specific labor market regulations and have vehemently criticized European deregulation measures. Swedish employers' organizations, however, support further deregulation and greater flexibility in negotiating conflicts. During the period under review, wage negotiations conducted rather smoothly, but the ambitious attempt to renegotiate the Swedish model of labor market rules (Saltsjöbadsavtalet) failed because of diverging goals between labor and capital.

During the economic crisis, the center-right government increased spending on active labor market policies and education measures. However, open unemployment continued to increase significantly, and youth unemployment in particular remained unaffected. However, Swedish active labor market policies are expected to reduce long-term unemployment numbers efficiently.

The center-right government also took highly controversial steps to remove the state fiscally from (voluntary) unemployment schemes. As a result, membership fees have shot up since 2007, compelling many Swedes to opt out of these unemployment insurance plans and thereby annul their membership in the trade unions administering the plans. Sweden now has a significant number of unemployed without unemployment insurance. During the crisis, the government increased public transfers to unemployment insurance schemes, but the government did not install old rules.

Citation:

OECD. Economic Survey Sweden, Paris: OECD, 2008.

Enterprises

Enterprise policy
Score: 7

Sweden is usually ranked among the top three in the world in terms of research and development spending per capita. The government has made research and development a priority for a long time. In addition, the state has long had programs aimed at supporting the creation of new (small) businesses. Enterprise policy has been able to achieve the goals of fostering innovation and global competitiveness. The linkages from innovation and prototype creation over to industrial concepts are highly problematic in Sweden.

Scholars observing innovation policy in Sweden refer to it as "the Swedish paradox," which circumscribes precisely this strange pattern of high levels of innovation spending and very low output in terms of new businesses created as a result of that spending. It is not clear

what explains this paradox. An EU study shows that Swedes are the most risk-averse group within the EU, and the idea of starting a business that will not be profitable seems to be daunting to Swedes. Partly related to this paradox, corporate investment is extremely low in Sweden - among the lowest among the OECD group of countries. Investment in research and development is high, but investing in manufacturing industry is very low.

Citation:

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

World Economic Forum. *The Global Competitiveness Report 2009-2010* (<http://www.weforum.org/pdf/GCR09/GCR20092010fullreport.pdf>)

Taxes

Swedish tax policy is highly contested – in the political arena in Sweden as well as in the scientific literature. Beyond diverging evaluations, it seems fair to state that by and large the Swedish tax system meets the goals of maintaining equity, competitiveness and sufficient public revenues. It should be noted that total tax revenue as a percentage of GDP is highest in Sweden (and Denmark) compared to other OECD countries.

The current center-right government introduced an earned-income tax credit scheme. Since its time in office, three major tax cuts have been implemented. The redistributive effects of the tax cuts seem to be a growing gap between rich and poor. A study presented by the Ministry of Finance in April 2010 suggests that people with high incomes have benefited more from tax cuts than people with moderate income and that men have gained more than women. Thus, the equity of the tax system appears to have been weakened by the reforms of the center-right government.

There is currently a budget deficit in the Swedish economy. The opposition parties of the left criticize the government for financing tax cuts and generating a budget deficit, thereby threatening the goal of sound public finances. It is extremely difficult to assess to what extent the budget deficit is related to the financial crisis or whether it is on account of tax cuts. But it seems to be the case that the financial crisis is a major explanation. That does not change the fact that tax cuts are financed by international borrowing and that the balance of public budgets is threatened (albeit to a lesser extent than in most other European countries). It remains to be seen if the current government can combine tax cuts in times of economic turmoil with increasing tasks of the welfare state while maintaining the goal of

Tax policy
Score: 9

sound public finances.

Corporate taxation rates, which are linked more directly to competitiveness and business innovation, rank clearly below the average of all OECD countries (and are among the lowest in Western Europe). The tax system is frequently criticized by the business community for being bureaucratic and insensitive to business needs, thereby constituting a disincentive to start new businesses.

With the partial exception of the current financial crisis, the tax system delivers sufficient resources to the public sector. Or, more correctly, the public sector adjusts its services to the resources made available through taxes. If the measures of the center-right government to deregulate the framework for start-up business are effective, remains to be seen.

Budgets

With the exception of the current financial crisis, the Swedish budget and economy has been in balance since the mid-1990s. Since then, fiscal and budgetary discipline has been extraordinarily strong and the Ministry of Finance has secured a leading role in government. Taxes have not been stable, as three major tax cuts have been implemented over the past four years. Overall, however, there is a high degree of stability in budgetary politics. The OECD emphasizes the norm-based budgetary framework that enabled the consolidation of public budgets during the recent past. Because of the impact of the global financial crisis, discretionary fiscal policies somehow eroded the norm-based budgetary process. Nevertheless, the budgetary policy is fiscally sustainable (in fact, fiscal sustainability in Sweden is ranked among the highest in the EU).

Citation:

Finanspolitiska rådet 2010. Svenskt finanspolitik 2010, Stockholm: Finanspolitiska rådet (<http://www.finanspolitiskaradet.se/download/18.6c09f59d1287ef288f9800067863/Svensk+Finanspolitik+2010.pdf>)

Fiscal Policy Council 2009. Swedish Fiscal Policy, Stockholm

OECD 2008. Economic Survey Sweden, Paris: OECD

Budget policy
Score: 10

B Social affairs

Health care

Health policy
Score: 9

The health care sector in Sweden has been subject to more or less continuous reform – as is the case in most other OECD countries. In the latest wave of reform, greater emphasis was put on primary care units as the first point of entry for people in need of health care.

Traditionally, health care in Sweden is public and organized by the counties (“landsting”). In recent years, health care has been gradually privatized. The center-right government further strengthened this policy. Today health care providers are allowed to make indefinite profits, a reform that the opposition social-democratic party after some hesitation backed.

In the past, the efficiency of health care was highly contested. Long waiting periods and restrictions on free choice of care have been criticized the most. The center-right government improved the options of the patients. During the economic crisis, the counties were confronted with fiscal problems that eroded their capacity to provide qualitatively satisfying health care. The government subsidized the counties in order to restore the quality of health care and to avoid dismissals in the health care sector. In total, privatization reduced the number of beds in hospitals as private providers were forced to contain costs.

A specific reform project in the period under review targeted dental care. Due to deregulation, private costs of dental care increased. The center-right government introduced a voucher system that subsidizes private costs to a certain extent. Furthermore, the government tried to install market transparency for the patients.

Health care in Sweden suffers – as in most other OECD countries – from governance problems. Currently, the health care sector is in a state of flux. It remains to be seen if continuing privatization increases the efficiency of the system (or undermines it). Today, the Swedish health care system provides high-quality care for the majority of the population. The cost efficiency is challenged by demographic changes, like in most OECD countries.

Social inclusion

Social inclusion
policy
Score: 9

Sweden ranks extremely high on all indicators on social inclusion and equality. A universal welfare state has been in place for several decades and although there are signs of growing inequalities in terms of disposable income, social exclusion is still very rare in Sweden. Rising income inequalities and problems of integration for non-Swedish citizens are discussed intensely in public. Currently, the values of equality, integration and community (“Gemeinschaft”) still prevail in Swedish politics and society.

The main challenges to this pattern are, first, the increasing heterogeneity of the community in terms of ethnicity, where immigrants find it difficult to become fully integrated socially and in the workplace. However, the much debated threat of welfare tourism, i.e. EU citizens coming to Sweden in order to benefit from universal welfare programs, did not become a real problem. Second, globalization has given the government incentives to cut taxes in order to make businesses more competitive.

There are still homeless people in Sweden and people with limited material security and poor life chances. But this implies no detracting to the overall integrative character of the Swedish welfare state.

Families

Family policy
Score: 10

The basic idea in Swedish family policy is that the public sector should provide daycare for pre-school children and that there should be a parental insurance system that allows parents to take about a year off from work when a baby is born. These support systems have long been in place. There has been a sustained debate between the parties on the left and those on the right about whether there should also be a public subsidy (a so-called “vårnadsbidrag”) for parents who choose to stay at home with their children.

The current center-right government advocates such a subsidy. The leftist opposition parties argue that such a subsidy will effectively prevent the mother from continuing her professional career after she has had a baby. Since women usually have a lower salary than men it would be much more common for women to use the subsidy than men, the argument goes. The government’s response to this critique has been that the subsidy facilitates choice, something which the parental leave insurance does not. In conclusion, the center-right government introduced a framework legislation that opened the way for the communes to introduce such schemes. Hence, it remains to be seen how many women or men will use this new scheme. In both

models, the government's family policy programs are generous by any international comparison.

It should be noted that family policy in Sweden is viewed in the context of gender policy, i.e. to what extent different family policy programs also promote gender equality. The current government has introduced a one-month extension of the paid parental leave, provided the father uses it. Today, about 50 percent of fathers go on parental leave for some time. However, only somewhat less than a third of the total parental leave support goes to men. Thus, women still use the parental leave program to a much larger extent than men. Despite these reservations, Swedish family policy is still in many aspects a model for other OECD countries.

Pensions

Pension policy
Score: 9

The Swedish pension system underwent reforms in the 1990s. The previous so-called ATP system, which based pensions on the 15 years of highest income, was replaced by a system which based pensions on an individual's accumulated earnings over an entire lifespan. Additionally, the reform introduced the possibility of investing a certain portion of retirement savings in an individual investment fund ("premium reserve").

The system recalibrated burden-sharing in the Swedish pension system. Many people in the workforce sign private pension insurance schemes to secure the standard of living after retirement. Additionally, occupational pensions increased during the recent decade and became an important supplement in retirement provision.

Estimations show that the fiscal sustainability of the Swedish pension system is high compared to other OECD countries. Past reforms enabled this performance. Nevertheless, the retirement age is still an issue discussed controversially in the public. The risk of poverty caused by old age seems low in Sweden, especially for those who had a long working career and could supplement their retirement income with occupational pension schemes. The equity between the generations in the pension system is difficult to assess. Most studies state that the reform did not erode inter-generational equity – as long as the entry into the labor market for the adolescent generation is not blocked. The current problem of high youth unemployment, therefore, will determine the degree of inter-generational equity in the long run.

Integration

Integration policy
Score: 7

Swedish integration policies cover a wide range of measures (from language training programs to supportive labor market policies). However, the integration of immigrants has not yet fully been solved economically, socially or culturally. Unemployment among immigrants is higher than among Swedes. Cultural integration is slow to some extent depending on the concentration of immigrants in the three metropolitan regions in the country (Stockholm, Gothenburg and Malmö). This is not so much on account of a lack of financial resources or a weak political commitment to addressing these issues. On the contrary, integration policy has been a major political concern for a couple of decades. Central and local government together with voluntary associations and NGOs have been strongly committed to the complex issue of integration. It is very difficult indeed to explain the rather modest outcomes of these efforts (cultural obstacles, the regulated nature of the labor market, problems related to the complex immigration blending labor immigrants with political refugees, xenophobia among groups of the Swedish population, and so on). Swedish labor market regulations still block a pronounced low-wage sector, as seen in the USA, UK or other nations with a long history of immigration. Hence, ethnic segregation is more easily observable in Sweden than it is in countries with more deregulated labor market regimes and with dynamic low wage sectors.

Citation:

Carl Dahlström (2004), *Nästan välkomna: Invandrapolitikens retorik och praktik* (Göteborg: Statsvetenskapliga institutionen, Göteborgs Universitet).

C Security

External security

External security
policy
Score: 9

The profile of the external security policy in Sweden is high. The country has a long history of staying out of international conflicts. Defense and foreign policy rest on the foundation of non-alliance in peace and neutrality in wartime. Sweden was previously a big spender on defense but since the fall of the Berlin Wall defense spending has decreased. Conscription has been dramatically reduced. Instead, Sweden as a member of the EU finds itself integrated in the emerging common foreign policy of the Union and

commits resources to international missions under EU or UN auspices. Thus, the long-term development is towards a smaller but more professional defense, coupled with a commitment to international missions.

This is a policy which suffers from some inertia as rearmament would require quite some time. Sudden changes in the region such as the conflict in 2009 between Russia and Belarus triggered concerns that disarmament had gone too far too quickly and that there was a strong need to raise the capacity to deal with incidents and minor conflicts which could affect Swedish security. The fact that Sweden has an advanced defense industry does not offer much short-term help in that respect. The continuous cutbacks in defense spending may have led to refraining from the acquisition of the latest technologies in the defense sector.

Despite its commitment to non-alliance and neutrality, the Swedish defense is fully integrated with NATO and conducts joint exercises with NATO troops. NATO naval vessels are allowed into Swedish ports and NATO military aircraft may enter Swedish airspace.

Internal security

Internal security
policy
Score: 8

Sweden ranks in the middle of the international indicators on crime rate and related measures. Understanding this ranking requires a look at the organization and management of the police, as well as at the societal context which this work is embedded in. The organization and management of the police has changed over the past several years, with changing models of central-local coordination and ambiguities about how to prioritize preventive police work and criminal investigations. New Public Management has been introduced rather extensively in the police sector with a focus on performance management, a strategy, which obviously does not encourage preventive police work because it cannot be measured.

Turning to the societal context of crime, it appears as if a degree of internationalization of crime is taking place in Sweden. This applies not least to the growing presence of organized crime. This has had an impact on the security of shop owners and restaurant owners in a number of big cities. There have also been a number of assassinations of gang members and violent turf battles in metropolitan areas. The police have made the fight against organized crime a priority but so far this campaign has only had a moderate effect.

In the discretionary policy packages implemented in 2008/2009, investment into Sweden's police force and judicial system was announced. Currently, it is not possible to assess if these measures

successfully contain organized crime in Sweden.

D Resources

Environment

Environmental
policy
Score: 8

Sweden has had a long and strong commitment to environmental policy, so much so that recent studies in fact show that Sweden has over-implemented the EU policy goals of CO₂ emissions. Sweden is in the process of changing towards an environmentally friendly economy, i.e. towards a reduction of the private use of automobiles, sustainable manufacturing processes, curbing the use of fossil and nuclear sources of energy and promoting ecologically friendly consumption. Environmental policy draws on a mix of “sticks and carrots” to attain these goals. By increasing taxes on fossil fuel systems and creating incentives for alternative production and consumption patterns, the government seeks to drive society towards sustainable development.

There is a small but noticeable difference between the two different groups of parties with regard to their commitment to environmental policy. The center-right incumbent “alliance”, while speaking of the necessity to find sustainable strategies of economic development, seems to be less keen to use taxes as a “stick” to discourage non-sustainable production or consumption processes. The center-left group of parties, on the other hand, includes the Green Party, an avid supporter of environmental policy more in favor of using the tax instrument to facilitate change towards sustainable development.

Among the political blocks, the expansion of nuclear energy plants is highly contested. In 1980, a referendum prohibited the construction of new plants, and the social democratic government implemented this decision. The contemporary center-right parties promote the expansion of nuclear power plants (despite the partial resistance of the Center-Party).

Citation:

Zannakis, M. (2009), *Climate Policy as a Window of Opportunity* (Gothenburg: Department of Political Science, University of Gothenburg).

Research and innovation

Research and
innovation policy
Score: 9

Sweden ranks among the very top of countries on public R&D spending per capita and performs quite well on many related indicators as well. Thus, this part of innovation policy works very well. The key problem is transforming innovations into prototypes and later into commercial products. In these areas, Sweden performs rather poorly; this is the essence of the “Swedish paradox” mentioned earlier. The core problem is not related to the policy as such but rather to industrial policy and pro-growth policy. In addition, cultural factors might help account for the “Swedish paradox” (see also 7.1); a fear of failure, risk avoidance, a generous welfare state which makes entrepreneurship less important to a high quality of life, and so on. Furthermore, tax policies may hamper start-up business and the exploitation of technical innovations and patent rights in Sweden. And, finally, the supply of venture capital funding may be too restrictive to allow dynamic exploitations of technical innovations in Sweden.

All in all, innovation policy offers excellent support for innovation. It is the development thereafter in the process of developing commercial products that is the problem.

Education

Education policy
Score: 8

During the period under review, few policy areas were more heatedly debated in Sweden than education policy. Education and retraining has been seen as integral to economic competitiveness and facilitating a structural change in the economy from a base in industry to a base in research and development. Life-long learning and continuing education have been important policy objectives towards those ends. From a comparative point of view (and referring to the Eurostat database), life-long learning is mostly spread in Sweden (and other Nordic countries).

The current government has aggressively pursued a policy that introduces a more strict education, not least in terms of grades and assessments but also in regard to order in the classroom. In terms of the education policy aimed at providing a skilled labor force, the government has taken issue with the education policy of previous governments that emphasized everyone’s right and entitlement to higher education. The current policy departs from this by suggesting that perhaps not everyone is suitable and qualified for tertiary education but would be better off in education and training programs that lead to practical work and immediate employment. This policy

should help provide a labor force both for manufacturing industry and also for more knowledge-intensive types of businesses. Nevertheless, Sweden has today a very highly skilled labor force.

Sweden's graduate output of upper secondary and tertiary education is fair. In upper secondary education, education policy emphasizes that schools should make a strong effort to get as many students as possible to graduate with passing grades at least in the core topics of the curriculum, Swedish, English and Mathematics. It should be noted, however, that the introduction of New Public Management instruments in the school sector, including competition among public schools and so-called "free schools", has created incentives for schools to boost grades. National tests are conducted regularly to prevent such developments.

Equitable access to education has long been a keystone of education policy; this harks back to the early days of Social Democracy and the then apparent difficulties for working-class students to get access to higher education. The biggest problem today in this respect is probably second generation immigrants who might face bigger obstacles to enter higher education compared to Swedish children.

Management Index

I. Executive Capacity

A Steering capability

Strategic capacity

Strategic planning
Score: 8

Government decision-making in general tends to be a mixture of long-term strategic planning and short-term programs and specific measures. The Central Government Office (CGO, Regeringskansliet) staff emphasizes in interviews and questionnaire responses that short-term thinking and strategies tend to become more important, at the expense of more long-term strategic planning. This is not to suggest that long-term planning is being considered as not very important. In the Finance Ministry and the prime minister's secretariat, there is extensive financial and political planning. Also, the CGO has currently embarked on internal reform to enhance its internal coordination and its capacity to steer agencies. But the CGO has to deal with day-to-day politics and is exposed to the media. That means that short-term considerations play a large role in the decision-making although often short-term decisions are embedded in more long-term plans.

A related factor to bear in mind when assessing meetings with strategic planning staff and the head of government in Sweden is the collective nature of the government. The government (cabinet) makes all decisions as a collective body. That means that strategic planning staff may not meet only with the head of government but with the Cabinet as a whole.

Traditionally, the backbone of strategic planning in Swedish politics was the so-called "Royal Commissions" (Swedish Government Official Reports, SOUs). The frequency of such commissions declined in the most recent past. And in contrast to the past, in contemporary commissions, party politicians dominate. Hence, the inclusion of interest groups and scientific experts is diminishing. The incumbent center-right government switched the planning strategies from SOUs to institutionalized advisory councils, one example being the introduction of the Swedish Fiscal Policy Council (in which exclusively economists are engaged who prepare specific reports

and report annually on fiscal policies in Sweden) or the Globalization Council (which is institutionally linked to the CGO and in which scientists provide particular studies, and in which politicians as well as selected members from interest organizations formulate policy recommendations).

Citation:

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

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

Globaliseringsrådets slutrapport, 2009: Bortom krisen. Om ett framgångsrikt Sverige i den nya globala ekonomien, Stockholm: Ds 2009:21.

Scholarly advice
Score: 8

Academic expertise in policy making appears to be less sought today compared to previous years. There are certainly instances where the government creates councils where scholars meet and produce papers that form a base for policy choice. A case in point is the “Globalization Council” created by the current government shortly after it came into office. The center-right government introduced new forms of scholarly advice beyond the traditional system of “Royal Commissions.” It remains to be seen if these new forms will ensure more scholarly advice or if these councils are used instrumentally in the political campaign. It is noteworthy that the center-right government introduced an independent council to regularly assess the fiscal policy process. It will probably always be true that academic advice will have a place in the policy process and that such advice is “filtered” through a political assessment of the value of that advice. Even with that observation in mind, however, it does seem to be the case that government rather rarely solicits advice from the academic community.

Inter-ministerial coordination

GO expertise
Score: 7

Policy coordination among line ministries is considered the main problem in the Central Government Office (CGO). Ministries seem to be tentative about sharing information, control or resources. At the same time, there are procedures in place to increase coordination such as informal inter-ministerial groups drafting parts of governmental bills. A case study on the drafting of a bill on economic growth policy showed that the bill that was eventually submitted to parliament was version number 56 of the bill.

There is currently a reform process underway in the CGO, the so-called “RK-Styr” reform. The objectives of the reform are to significantly increase coordination among line ministries in order for them to be more apt at steering the agencies. Lack of coordination means a lack of steering capacity. Since the PMO does not have

day-to-day policy coordination as a main responsibility, coordination becomes more middle-level and ad hoc.

The challenge of efficient coordination is exacerbated by a growing number of overarching policy objectives – so-called mainstreamed goals – that all bills and directives to Royal Commissions should adhere to. The first mainstreamed goal, economic growth, was adopted in the early 1990s. Today, there are 16 such mainstreamed goals, including gender equality, sustainable development and ethnicity. The latest cluster of mainstreamed goals to enter the list was the U.N. Bill of Rights. The main problem with this arrangement is that with the exception of gender equality there is no organization or part of any organization that “owns” the issue. Thus, while all bills drafted in the CGO are expected to promote all 16 mainstreamed goals there is no person or body assigned to make sure that this actually happens.

Coming back to an observation made earlier, the CGO in Sweden, which comprises the PMO and the line ministries, acts as a collective body in most aspects of decision-making. In terms of organizing the drafting of governmental bills or preparing Cabinet decisions, this work is typically done in the line ministries with little substantive oversight from the PMO. The role of the PMO is to control the flow of bills through the Cabinet and to the parliament and, to a lesser degree, to ensure that there are no inconsistencies or overlaps among the bills. Much of the policy coordination is done in inter-ministerial groups at the middle-level of the organizations.

Another source of coordination is the Ministry of Finance. The Ministry of Finance (MoF) took a higher profile within the CGO during the financial crisis in 1992 and has kept and even expanded that position since then. MoF routinely reviews bills and directives to Royal Commissions.

Citation:

Pierre, J. (2009), "Tillväxtpolitikens styrningsproblem" [The Governance Problems in Growth Policies], in Göran Sundström och Jon Pierre (red), *Samhällsstyrning i förändring* [The Changing Societal Governance] (Malmö: Liber), 72-89.

Pierre, J. and C. Dahlström (forthcoming), "Steering from the Centre in Sweden" in C. Dahlström, J. Pierre and B. G. Peters (eds), *Steering from the Centre* (Toronto: University of Toronto Press, 2011).

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

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

GO gatekeeping
Score: 9

The PMO, and more specifically the senior political leadership, has full control over policy matters and can return items on several different grounds. Since Sweden has been traditionally governed by a minority government with an elaborated collaboration between two partners (1998-2006) or coalition governments (since 2006) it has

been very easy to observe the degree of political control over policies. Issues that could not be settled among the parties through middle-level discussions were “lifted” to bargaining among the party leaders. More broadly, the party leadership monitors the policy process and intervenes at strategic steps of the policy process.

Line ministries
Score: 7

As mentioned earlier, the PMO is not continually involved in policy coordination. Its role is more of ensuring that there is a steady flow of bills into parliament, to offer administrative support to the prime minister and to have a longer strategic view on policy developments. Coordination takes place at the intermediate level of ministries and only if there is disagreement on some specific matter will the senior levels of the ministries become involved. Also, the Ministry of Finance plays a very important coordinating role.

This arrangement – a PMO not continuously involved in policy coordination – may well be part of the coordination problems in the CGO. There are still “gaps” between the line ministries and each ministry maintains its own subculture. Even when ministries are merged it takes a long time before those subcultures disappear. Nevertheless, the informal coordination procedure still ensures that the PMO in line with the Ministry of Finance has an important role in policy developments. Especially in times of coalition cabinets, as in the period under review, the PMO crucially coordinates policies.

Cabinet committees
Score: 1

In Sweden, the Cabinet is the final institution of appeal on a wide range of matters. Since all Cabinet decisions must be made “in pleno”, this means that the Cabinet decides on more than 100,000 issues annually. All matters that are subject to Cabinet decisions are meticulously prepared in order to ensure swift decision-making. However, most of this work is not done by committees but by individual civil servants or groups of political appointees. There are no standing cabinet committees or ministerial committees in the Swedish CGO.

Citation:

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

Senior ministry
officials
Score: 10

Again, the Cabinet is legally required to rule on a large number of issues in its role as the last instance of appeal. This work is well prepared and done swiftly. The Cabinet tends to have specific meetings devoted to strategic discussions; the traditional Thursday lunch meetings with the Cabinet where there is no formal agenda but where policy and strategy are discussed more openly have been considered very important in this respect.

Citation:

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

Line ministry civil
servants
Score: 8

Effective coordination is a challenge and a problem in the Central Government Office (CGO). Task forces of civil servants play an important role in the complex process of coordination. When issues cannot be settled on that level they are “lifted” to the political level. However, not even these arrangements automatically help to solve the coordination problem. One explanation might be that the PMO is not sufficiently active in a coordinating role; another explanation might be that coordination becomes problematic because it is often handled at the civil servant level and is not “lifted” to the political echelons of the system unless there is disagreement among civil servants from different ministries. Both explanations suggest that there is a leadership deficit in the CGO and that the coordination problem is first and foremost a manifestation of that problem. Besides the CGO, the civil servants of the Ministry of Finance play a crucial role in coordinating policy developments.

Informal coordination
procedures
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.

RIA

RIA application
Score: 7

RIA aims at improving the quality of regulation and legislation. The EU Commission has been promoting RIA for several years as an instrument to reduce paperwork for private business. The Swedish experience with RIA appears to be mixed. The results were recently described as “rather modest.”

Citation:

Erlandsson, M. (2010), *Regelförenkling genom konsekvensutredningar* (Report 2010:1) (Stockholm: Sieps).

Needs analysis
Score: 7

The only evidence available on the usage and impact of RIA in Sweden suggests that these assessments have yielded only modest results. In addition to RIA, the Department of Enterprise, Energy and Communications has for several years worked with a project called “Simplex.” This project aims at identifying private business regulation which obstructs the creation of new businesses or which place an excessive administrative burden on private businesses.

Citation:

Erlandsson, M. (2010), *Regelförenkling genom konsekvensutredningar* (Report 2010:1) (Stockholm: Sieps).

Alternative options
Score: 5

RIA is not fully and systematically implemented in Sweden. Regulatory assessment appears to be done more systematically in other forms, for instance the aforementioned “Simplex” project.

Citation:

Erlandsson, M. (2010), *Regelförenkling genom konsekvensutredningar* (Report 2010:1) (Stockholm: Sieps).

Societal consultation

Negotiating public support
Score: 9

Intensive forms of consultation between the Swedish state and organized societal interests have a long history. The corporatist system was historically influenced by the development of Swedish state structures (lean ministries) and became most clearly visible in the 1936 tripartite “Salstjöbaden Agreement.” Since the 1970s, the institutional frame for consultation eroded gradually.

Societal consultation still matters in contemporary politics. Representatives of major societal organized interests are still (albeit to a lesser extent than previously) invited to participate in Royal Commissions investigating policy problems and presenting policy proposals. Also, Royal Commissions’ reports are still circulated according to the so-called “remiss” procedure, where all societal actors (public as well as private) that are affected or at least potentially affected by a Royal Commission’s policy proposal are invited to submit their opinion to the government. In addition, there are numerous meetings, formal and informal, where societal actors are invited to voice their opinion on policy developments. Governments of both left and right have had informal meetings with leading business organizations during the most recent past to get their views on how to promote economic development and to mitigate business regulation. Similarly, the national association of regional and local authorities (SKL) has frequent meetings with societal

interests in their policy fields, such as unions for teachers and health-care personnel.

The center-right government implemented a number of impartial councils to strategically prepare policy decisions (Globalization Council, Fiscal Policy Council for example). Representatives from organized interest groups were still members in these councils, however, the role scientific advice played in these forms of organized consultation increased. During the global fiscal crisis, the center-right government did not rely on formalized consultations with organized interest groups. However, informal negotiations did certainly take place.

Citation:

Katzenstein, P. J. (1984), *Small States in World Markets* (Ithaca: Cornell University Press).

Rothstein, B. (1986), *Den korporativa staten* (Lund: Arkiv Förlag).

Rothstein, Bo/Bergström, Jonas. *Korporatismens fall och den svenska modellens kris*, SNS: Stockholm, 1999.

Policy communication

Coherent
communication
Score: 9

In Sweden as in most other advanced democracies, there has been a noticeable tendency over the past several years to centralize communication on policy matters, particularly through the media. Civil servants in the ministries are extremely reluctant to speak to the media, as they might not convey the correct and approved version of a particular policy. Controlling the flow of communication has become a matter of importance to the political elite of the system; handling communication and speaking to the media has clearly become a political dimension of the CGO's work.

The center-right coalition contains four parties. Surprisingly, such a broad coalition does produce incoherent policy communications in contested policy fields. During the period of review, some communicative frictions became obvious (for example, the different policy positions regarding the use of nuclear power plants in Sweden or the goals and fiscal endowment of the Swedish army). Nevertheless, the center-right coalition could effectively coordinate policy communication between different ministries.

Citation:

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

B Policy implementation

Effective implementation

Government
efficiency
Score: 8

If policy coordination in the Central Government Office (CGO) is the biggest current problem in the Swedish government, policy implementation in the form of steering the agencies is the second biggest challenge. These problems are strongly related, a lack of coordination leads to a lack of executive capacity and poor steering by the agencies. According to the original idea in the constitution, the CGO was supposed to engage in long-term policy planning while the autonomous executive agencies (which Sweden has had for more than 200 years) in policy implementation. Over time, however, the CGO has become more and more bogged down in day-to-day matters on policy while the agencies have enjoyed a growing staff, a concentration of expertise and insulation from the media. As a result, expertise on policy today rests just as much with these agencies as with the CGO. This complicates the CGO's capacity to steer the agencies, and the result has been that exchanges between the CGO and the agencies are more characterized by mutual consultation and informal dialogue than by strict command and control exercised by the CGO. Thus, agencies are still highly effective instruments of policy implementation but they are, to a growing extent, also involved in the design of the policies they are to implement.

Citation:

Pierre, J. and G. Sundström (eds), *Den nya samhällsstyrningen* (Malmö: Liber).
Premfors, R. and G. Sundström, G. (2007), *Regeringskansliet* (Malmö: Liber).

Ministerial
compliance
Score: 10

The Swedish Cabinet acts in concert on all important policy matters; policy formulation and accountability are collective processes. In the political debate, individual ministers certainly pursue policies relevant to their portfolio but cabinets tend to be evaluated collectively. The fact that both the center-left and center-right blocs in Swedish politics are becoming increasingly coordinated on policy decisions and strategic policy goals strengthens this development of collective political action further.

Citation:

Bäck, H. and T. Larsson (2006), *Den svenska politiken. Struktur, processer och resultat* (Malmö: Liber).

Monitoring line
ministries
Score: 9

The PMO exercises some control over the line ministries. More importantly, the Cabinet as a collective body monitors and controls line ministries very thoroughly. Equally important, the Ministry of Finance monitors line ministries very closely; hence, the Ministry of Finance became very important in this respect in the past years. The budgetary process is generally seen as a key coordinating and monitoring process within the CGO. Thus, there is a rather high degree of monitoring which, however, is not primarily conducted by the PMO - the Ministry of Finance is important in this respect, too.

Monitoring agencies
Score: 9

Agencies report to the ministries and, in a strictly constitutional sense, are subordinate to the ministries and the CGO. In the daily practice of policy formulation and implementation, however, the relationship between ministries and agencies is less hierarchical and more built on dialogue and the sharing of expertise and information. Given that state of actual affairs, the notion of monitoring becomes an issue when the legally hierarchical pattern is supplemented by mutual dependencies.

The relationship between ministries and agencies has been subject to recent reforms. One reform objective has been to introduce more diversity among the agencies in terms of how closely they are monitored. The argument has been that agencies with only 10 civil servants and a limited budget do not need to be monitored as closely as the biggest agencies with a couple thousand civil servants and huge annual budgets. Another reform objective has been to reassess the structure of the agency system, including the so-called staff agencies whose main role is to provide the CGO with information and statistical analyses. In both cases, there is the general idea that ministries could, and should, steer agencies more closely than is presently the case.

Citation:

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

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

Task funding
Score: 8

The extent to which central government imposes unfunded mandates on regional and local governments has long been a topic of heated debate. Sub-national governments in Sweden enjoy extensive autonomy in relationship to central government; indeed, that autonomy is written into the opening article of the constitution. Sub-national governments insist that unfunded mandates are an imposition on that autonomy since it forces local government to

redistributes its tax resources. Local government and their national association emphasize what they call the principle of full compensation. However, the assignment of tasks and the financial arrangement pertaining to those tasks are frequently negotiated and renegotiated between central and subnational government.

Constitutional
discretion
Score: 9

Except for the occasional disagreement over mandates that are not funded and the extremely rare case of direct intervention in local taxes (as has happened only on very few occasions), central government fully respects the values of local autonomy. To be sure, when these issues are discussed or researched, the question has not so much been whether central government allows local government to exercise its autonomy but rather to what extent local government transgresses its role (and consequently undermines fiscal solidity). The constitution does not define any limits for local government action. Instead, those boundaries become defined whenever citizens appeal local government decisions to the courts. Central government does not question the principle or the exercise of local autonomy.

National standards
Score: 9

Public services have been extensively decentralized over the past couple of decades with the decentralization of first and secondary education in 1989 and 1990 being the most prominent cases. Once services are transferred from central to local government auspices, safeguarding national standards and even defining and sustaining those standards becomes problematic. National agencies monitor closely the services delivered by local government. Thus, monitoring is largely done as performance evaluation, i.e. a sort of ex-post steering. Agency reports are posted on websites so that, for instance, parents planning which school they should send their children to can find ample information about the performance of different schools and local governments. This is a kind of “name and shame” performance control which may build on comparisons that are not always fair – schools in economically and ethnically challenged local governments may for instance perform less well compared to schools in more affluent local governments – but there is certainly monitoring and control that reflects the Swedish tradition of open information to all citizens.

One of the problems encountered by central government agencies in this monitoring process is that they frequently lack effective corrective instruments. Public services delegated to local governments become part of the local autonomy – indeed, adaptation of service to local needs and the local diversity was one of the reasons they were decentralized in the first place – which makes it difficult for central

agencies to introduce new forms of steering. Local diversity has increased somewhat, but still Swedish governments guarantee high standards of uniform levels of quality throughout the country.

Citation:

Gustafsson, G. (1987), *Decentralisering av politisk makt* (Malmö: Liber).
Pierre, J. (ed) (2007), *Skolan som politisk organisation* (Lund: Gleerups).

C Institutional learning

Adaptability

Domestic
adaptability
Score: 9

Since Sweden joined the EU in 1995 there has been extensive adaptation of Swedish regulation to EU rules. Today some 70 per cent of all Swedish regulation is EU harmonized. In terms of structural adjustment, the government has taken all steps required by the EU. However, most of the harmonization has been less structural and more a matter of adapting policy to the EU rules and coordinating domestic policy with EU policy. The main challenges associated with this harmonization have been integrating rules and the EU modus operandi. The EU does not prescribe any specific domestic structural adjustments. The Union has so far not advocated any particular model of public administration other than the still evolving “European administrative space” (EAS).

Citation:

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

International
coordination
Score: 10

Sweden has a tradition of being a lively international partner and is deeply involved in international collaborative work in terms of foreign aid, fighting poverty, addressing environmental issues or promoting human rights. The preferred strategy for international work is to participate in collective efforts such as UN sponsored projects. Sweden has used supranational structures like the EU (Sweden was chairing the Union from July through December 2009) as opportunities to launch collective international policies and projects. During the global fiscal crisis, the center-right government emphasized the need to tackle the crisis by international coordination. The Swedish government efficiently promoted international measures helping to contain the Icelandic crisis.

Organizational reform capacity

Self-monitoring
Score: 8

The past several decades have seen almost continuous reform in the Swedish state. A key element of the reform process has been the monitoring and evaluation of existing institutional models both horizontally (the relationship between the Central Government Office and the agencies) and vertically (the relationship between the CGO and regions or local authorities). As a result, the past couple of years have been devoted to a reassessment of the agency system both in terms of steering and structure. There has been a strong effort to reduce the number of agencies by 10 percent. Central government has also taken a higher profile in the steering of primary and secondary educational systems, which were transferred from the state to local authorities during the 1990s.

Institutional reform
Score: 9

In addition to the reassessment of the agency system as a whole, there has also been institutional reforms to enhance the strategic capacity of the Central Government Office by reorganizing the group of so-called staff agencies (primarily the agencies for public management reform [Statskontoret] and financial management [Ekonomistyrningsverket]). In this context, it is also important to note the reform currently underway inside the CGO ("RK-styr") which seeks to enhance coordination among line ministries in order to make steering and control of the agencies more effective.

II. Executive accountability

D Citizens

Knowledge of government policy

Policy knowledge
Score: 9

The Swedish population has a strong interest in politics. Election turnout is high by most international comparisons and knowledge of issues and candidates is also high. Given the state-centric nature of the Swedish society, citizens are aware of the role of politics in the governing of society and the differences between different constellations of parties in the election campaigns. Studies show that voters tend to decide which party to vote for increasingly late in the

election campaigns, a pattern which suggests that voters want to have as much information as possible about the parties' positions on issues that matter to the voters before they make their vote decisions.

Citation:

Holmberg, S. and L. Weibull (eds) (2009), *Svensk höst* (Göteborg: SOM-Institutet).

E Legislature

Legislative accountability

Obtaining documents
Score: 10

Parliamentary committees, and indeed every Swedish citizen, are entitled to see all government documents which are not classified. Sweden has long been a forerunner when it comes to public access to government documents. A policy goal of Swedish governments is to strengthen this principle even on the EU level.

Summoning ministers
Score: 10

Parliamentary committees have the right to summon members of the government. Committee hearings are a fairly recent procedure in the Swedish parliament (Riksdag). Today they occur regularly and are often broadcast live by public service television. The committees extensively publish the results of the hearings.

Summoning experts
Score: 10

Riksdag committees may summon experts, either in pleno (which is not so common) or through the committee staff who may solicit experts' information and/or advice.

Task area coincidence
Score: 8

There is no perfect overlap between the ministries and the parliamentary committees. The task areas of ministries change along with changes in the party composition of government and with changes in the number of ministries. The parliamentary committee system is characterized by much higher stability than the ministry organization. The prime minister can decide for him/herself how many ministries there should be and what their task area should be. Reorganizing the parliamentary committee structure is a far more complicated process.

Audit office
Score: 10

The National Audit Office in Sweden was for a long time a government agency which reported to the government, not to parliament. At that time, parliament had only a minor audit function. In 2003, the audit agency was abolished and a stronger audit office

reporting to parliament was created. There are still agencies that are engaged in auditing but the key audit function today is the parliament's National Audit Office (Riksrevisionen).

Citation:
www.riksrevisionen.se

Ombuds office
Score: 10

It is no exaggeration to say that Sweden invented the ombudsman (indeed “ombudsman” is a Swedish word meaning “an official speaking on your behalf”). Over time, the ombudsman system has grown considerably. Today there are ombudsmen offices for complaints related to the exercise of legal authority, gender equality, ethnic equality and equality owing to sexual preference.

F Intermediary organizations

Media

Media reporting
Score: 9

Together with Norway and Japan, Sweden ranks as one of countries with the highest consumption of newspapers. Unlike other media, newspaper ownership is dispersed and there is a good coverage across the country. The public service company from the start and up until the 1980s controlled TV and radio. In the 1990s, the media market was partially deregulated and today there is widespread competition between public and private media. The consensus view seems to be that this has not improved quality; if anything, quality has deteriorated somewhat.

Politics and government activities and decisions receive a lot of attention. Both the public service company and at least some of its private competitors have both news shows and more in-depth programs covering politics and government. That having been said, there is a tendency in the media to use the “vox populi” strategy, i.e. asking the man on the street, rather than interviewing experts when commenting on political news.

Citation:
Holmberg, Sören/Weibull, Lennart (ed.): Svensk höst. Trettyiofyra kapitel om politik, medier och samhälle, SOM-undersökning 2008, Göteborg: SOM-Institutet, 2009.

Parties and interest associations

Party competence
Score: 9

At the time of writing, Sweden was heading into the 2010 election campaign and parties (for the most part as constellations of parties; the center-right incumbent “alliance” and the “red-green” trio of parties on the political left) presenting platforms and policy ideas. There is the inevitable flirting with the voters but overall parties seem to make a strong effort not to make promises beyond what can be delivered without jeopardizing the economy. The past two years have been very difficult to the economy with the international financial crisis forcing the public budget into deficit and causing increasing unemployment. Under these circumstances, acting responsibly appears to have more political currency in both political camps than being generous with the state’s fiscal resources.

Association
competence
(business)
Score: 9

Sweden has a corporatist tradition, meaning that interest associations are more or less perennial players in the policy process. For this system to work it is essential that organized interests take some degree of responsibility both in terms of the quality of their proposals and supporting the implementation of public policy. While corporatism overall has been weakened during the 1990s and 2000s, the major interest associations in Sweden still participate regularly in the policy debate and have extensive contacts with central and subnational governments. Private business associations belong to this category of associations. They have a long history of being consulted on policy matters. It is difficult to assess their actual influence on policy decisions but it seems clear that governments of both the political left and right are open to major business associations.

That having been said, the key role of these associations is first and foremost to promote the interests of their members. Given the long history of corporatism they do have understand what policymaking and responsibility is about. Nevertheless, from time to time they present policy proposals which are more reflective of their constituency’s interests than the best interests of the country as a whole. A very similar pattern applies to the major unions, both blue-collar and white-collar. Nevertheless, for the period under review we can assess that most economic interest associations formulate reasonable policy alternatives.

Association
competence
(others)
Score: 9

Sweden has a large number and wide variety of interest associations that are small and big, old and new, single issue and comprehensive. The quality of their policy proposals is reflective of that heterogeneity and the large number of associations. Some associations have the staff and expertise to produce reasonable and appropriate policy

proposals, others do not. Overall, interest associations in a post-corporatist society probably understand that there are opportunities to influence policy, provided that the proposals put forward are reasonable and not just reflective of the interests of the associations' members.

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Contact:

Bertelsmann Stiftung
Carl-Bertelsmann-Straße 256
33311 Gütersloh

Dr. Daniel Schraad-Tischler
daniel.schraad-tischler@bertelsmann-stiftung.de

Najim Azahaf
najim.azahaf@bertelsmann-stiftung.de