



Sweden Report

Jon Pierre, Sven Jochem,
Detlef Jahn (Coordinator)

Sustainable Governance Indicators 2018

©vege - stock.adobe.com

Executive Summary

Democratic governance remains robust and deeply institutionalized in Sweden. Some of the societal underpinnings of governance are changing: party membership continues to decline and electoral allegiance to parties is increasingly volatile. Yet these changes may simply demonstrate that Sweden's system is capable of 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 governments likewise enjoy substantive, constitutionally guaranteed autonomy. Reforms over the past several years have focused on strengthening the political center's oversight powers. Advocates of these reforms argue that such powers are essential to sustain a responsive political leadership. Equally important is the need for accountability, as the agents and structures of political power must be held responsible for the policy measures they advance.

These reforms have also increased the strategic capacity of the political system; though this appears to have come at the price of some 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. Increasing coordination among government departments, where fragmentation had been a major hinderance, is enhancing the strategic capacity of the government at the same time as it weakens the points of contact with society.

In terms of economic policy, the government has skillfully navigated the Swedish economy past crisis and instability. Not being a member of the euro zone has certainly helped, but the government deserves praise for its management of the economy through the recent series of financial and economic crises, global as well as European.

Perhaps the biggest challenge facing the Swedish government in late 2017 involves accommodating and integrating the large number of asylum-seekers that have arrived in Sweden. This policy challenge has upended the dynamics between parties as new alliances have formed while conventional collaborative arrangements are showing signs of strain. This development has exacerbated ambiguities in an already fragile parliament.

Until the change of 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 services and the welfare state was an end in itself. The previous government had extensively cut taxes, yielding cutbacks in many welfare programs, which put pressure on those on medical leave to return to work. Some of the implemented measures did not, at first glance, undermine the logic of the Swedish welfare model. Considered individually, the family, labor market, tax and social insurance reforms seem moderate. However, in sum, these reforms represent a significant departure from the traditional Swedish model. The tax policy reforms, in particular, mark a genuine break with the past and are ideologically driven to a greater extent than in many previous governments.

The unique features of Sweden’s political, economic and social systems appear to be fading with time. Stability, broad consensus, and the absence of right-wing populist parties have traditionally been defining features of Sweden’s political environment just as corporatism, centralized wage bargaining, high taxes and a generous welfare state have attracted considerable praise. Noted for its societal homogeneity and high levels of equality, employment and affluence, Sweden is becoming increasingly diverse and faces sustained unemployment, dualities in the labor market, growing inequality, and diminished quality of life and health. In short, Sweden is losing its “unique” status as a role model in the European context.

The Social Democratic and Green coalition government that was formed after the 2014 general elections appears to place less trust in the market than their predecessors. As the red-green coalition government has no clear majority in parliament, it remains to be seen if it is capable of organizing stable majorities and to what extent their more state-centric policy style will help address urgent issues in education, welfare and unemployment. As of late 2017, the government has been rather successful in securing sufficient support for its most significant bills.

The capacity of the parliament to set long-term goals and pass budgets has been severely constrained by the post-2014 distribution of seats. The red-green coalition and non-socialist “Alliance” parties control roughly the same percentage of seats. The right-wing populist Sweden Democrats party holds a pivotal position between these two blocs, yet neither of the two is willing to negotiate with them. This resulted in a major parliamentary stalemate until a December 2014 agreement helped ensure passage of the minority governments’ budget proposals. That agreement, however, collapsed in

October 2015. As of 2017, the argument about whether the other political parties should cooperate in some form with the Sweden Democrats appears to have been put on hold pending the 2018 general elections, which may or may not produce a more manageable parliament. Until then, it is easy to see that the combined factors of a political system under duress and the challenge of ensuring a working majority in parliament has not strengthened the strategic capacity of government institutions.

Citation:

Pierre, J. (ed) (2015), *The Oxford Handbook of Swedish Politics* (Oxford: Oxford University Press).

Key Challenges

Sweden's long-term strategic ambitions are 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 challenges facing the government relate to aiding the economic and social losers. Sweden's long-term social and economic sustainability hinges on the capacity of the government to address this need. Sweden's government now faces the challenge of clearly defining its social agenda. Choosing which strategy to implement is not feasible until the government delineates its policy objectives.

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

In terms of challenges facing the government, four related problems stand out: immigration and accommodating asylum-seekers, unemployment, integration and equality. Over the past several years, Sweden has enjoyed strong economic development, except for the odd year in the midst of the global financial crisis. However, even during high-growth periods, the government has recorded relatively high levels of unemployment. Whether these are the result of shortcomings in the preparing of students for work life or invisible

thresholds to entering 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 more “dirigiste” in its approach. It is too early to assess whether this new policy style will be any more successful in addressing these urgent issues.

Integration poses a similar type of challenge. Visible and invisible obstacles prevent immigrants from finding meaningful jobs and societal acceptance in Sweden. A comparison with other countries is insufficient. Unlike other countries, Sweden has devoted financial resources to solving the problem. Yet its formula has not worked, likely because the government has been unable to overcome societal obstacles. The government has taken the first step in 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.

Core values of Swedish governance such as equality and equal treatment are being tested by the acute crisis in accommodating asylum-seekers and refugees from Syria and other war-torn countries. In the past, equality was one of the major features of the Swedish model. However, inequality has increased in Sweden because of wage bargaining deregulation, 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 further accelerated the trend toward inequality. From a comparative point of view, Sweden remains a very egalitarian society. From a historical point of view, however, the rise in inequality has been strikingly fast and 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 competent professional staff at all levels of government. The key decision it must make is whether to employ those resources to pursue collective goals or instead promote individual initiatives and deregulation. This is obviously a political decision, although many scholars argue that the correlation between growth and a small public sector is weaker than once assumed. For Sweden, it appears unlikely that strong growth can be sustained with 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 and balanced business community.

The major challenge in the longer term, however, will be integration. The very large number of immigrants represent, in the short term, a significant challenge in terms of accommodation and welfare provision. These challenges will impact local governments even harder in 2018, when state subsidies will be reduced. In the longer term, achieving real integration will be essential to the future wealth and stability of the country.

Citation:

Pierre, J. (ed) (2015), *The Oxford Handbook of Swedish Politics* (Oxford: Oxford University Press).

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 8

The international financial press painted a positive picture of Sweden's economic policy and development during the first decade of the 2000s, and for good reason. Overall, the Swedish economy has fared comparatively well both during and after the global financial crisis, and Swedish crisis management seems to have been extraordinarily successful. The positive trajectory of economic development has continued in recent years.

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 economic stability. Also, and equally important, previous governments chose not to alter regulatory frameworks (e.g., important labor market regulations) which might jeopardize stability. Most long-term economic indicators on Sweden look good. This is particularly the case with regard to international competitiveness. Thus, it is fair to say that the institutional and regulatory framework of the Swedish economy provides basic stability and predictability.

Most indicators suggest that the economy is doing quite well; the finance ministry expects GDP growth in 2017 to be 3.1% and 2.5% in 2018. However, there are some challenges. 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, then to -0.35% in September 2015. By November 2016, the interest rate had fallen to -0.5%.

Another concern is household debt, which continues to increase. There are also growing fears (as mentioned in an IMF report) of an emerging bubble in the real-estate market. In an attempt to cool the market, the government has introduced mandatory mortgage repayment rules, and there is some discussion on phasing out tax deductions for interest rate payments. Together with increasing construction, these measures would help cool off the real-estate market in metropolitan regions in the longer term. However, the current housing shortage in metropolitan areas that is driving real-estate prices up increases the short-term risk of a bubble in the real-estate market. In November 2017, the government announced plans to introduce a mortgage requirement beginning in 2018 (the exact date is yet to be decided) to help cool the real-estate market and curb household debt.

Economic growth and international competitiveness are closely linked to unemployment and the dynamics of the labor market. The red-green government is committed to halving the country's unemployment rate (which is already one of Europe's lowest) by 2020; a target which will be difficult to reach, given the current refugee crisis in Europe. Unemployment decreased somewhat in 2015 and early 2016. However, 2017 and 2018 will prove more challenging as the large numbers of immigrants will register as unemployed in early 2017 after completing Swedish language training programs.

Perhaps even more troubling, there are now signs on both sides of the political aisle that policymakers might relax their commitment to the regulatory framework that has to date shaped public budgets and the 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. In 2016, the Social Democratic and Green government negotiated with opposition parties to introduce a reform of the financial framework. The revised framework retains the surplus goal, but at a lowered 0.33% over a business cycle. More importantly, the revised framework states that public debt is to be brought down incrementally.

Moreover, some sectors of the economy, for example the housing market, suffer from low efficiency and lack of transparency. In addition, tax reforms implemented before the last period under review have further undermined economic equality. Nonetheless, Sweden's economy and its regulation thereof are generally considered to be efficient and sound. Whether this is a product of policy incentives, or a consequence of being outside the euro zone is a matter debated among economic experts.

Although the institutional and regulatory framework of economic policy remains overall robust and efficient, the governance of that system has proven exceedingly complex since the 2014 general elections. With 49 seats, the Sweden Democrats (SD) party is in a pivotal position between the Social Democratic-Green government (supported by the Left Party) and the non-socialist “Alliance.” None of these parties is willing to negotiate with the SD. In December 2014, an agreement (the “December agreement”) was reached between the two party blocs saying, inter alia, that parties would only be allowed to vote for their own original budget proposal. That arrangement meant that the pivotal power of the SD would erode. The December agreement, however, lasted only some ten months; in October 2015 the “Alliance” parties walked out of the accord and, thus, Sweden is once again in a difficult and unpredictable situation in terms of the government’s capacity to organize parliamentary majorities and to have its budget accepted by parliament.

Citation:

Finanspolitiska Rådet. Swedish Fiscal Policy. Fiscal Policy Council Report 2017 (<http://www.finanspolitiskaradet.se/download/18.4c8bf10a160291805212159b/1512728204599/Swedish+Fiscal+Policy+2017.pdf>).

IMF Country Report 16/353. Sweden (<https://www.imf.org/external/pubs/ft/scr/2016/cr16353.pdf>).

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

Regeringen (2016), Överenskommelse om skuldankare, nytt överskottsmål och förstärkt uppföljning (<http://www.regeringen.se/4a7bfa/contentassets/24a388a9a9994e67a706e0b91768bdd2/overenskommelse-om-skuldankare-nytt-overskottsmal-och-forstarkt-uppfoljning.pdf>)

Mehrtens, Philip (2014), Staatsschulden und Staatstätigkeit. Zur Transformation der politischen Ökonomie Schwedens (Frankfurt/New York: Campus).

Brenton, S. and J. Pierre, “Budget surplus goal experiments in Australia and Sweden,” *New Political Economy* 22 (2017):557-72.

Labor Markets

Labor Market
Policy
Score: 7

The heyday of full employment policies in Sweden is gone, seemingly forever. 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 current 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. It is too early to assess whether this new (return to an older) approach to unemployment will be any more successful than that pursued by the previous “Alliance” government. The huge influx of refugees into Sweden in 2014 and

2015 was expected to significantly impact the labor market in 2017, when successful asylum-seekers register as job seeking. So far, however, the strong economy has kept unemployment (primarily among native swedes) at a very low level, thereby moderating the impact of the growing number of jobseekers. The more long-term challenge of integrating refugees into the labor market still looms large.

Ongoing EU integration and the 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 has declined rapidly in recent years, but union power 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 applies only to insiders on the labor market because employment protection legislation for precarious work is underdeveloped. As in other European countries, Sweden's labor market is undergoing dualization, 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 for a long time experienced severe problems in entering the labor market. Sweden shares this problem with a large number of countries but it has proven to be inept at addressing this aspect of integration. The large number of unemployed immigrants tears at the fabric of integration policies. In 2018, large numbers of immigrants will be actively looking for employment, which will pose a significant challenge to the labor-market system.

Sweden's Labour Market Agency is criticized by both business organizations and the unemployed for performing poorly in terms of matching the unemployed with vacant jobs. The agency has been subject to a massive internal reorganization process and developed a new model for its internal management, which will take time to establish.

Citation:

OECD (2016), *Employment Outlook* (Paris: OECD)

OECD (2017), *Employment Outlook* (Paris: OECD)

Rothstein, Bo (2014), "The End of Swedish Exceptionalism," *Foreign Affairs*, September 18.

Taxes

Tax Policy
Score: 8

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 socioeconomic 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. The first two budgets of the red-green government, however, signal a return – however modest – to a philosophy of higher levels of taxation and public spending, rather than incentives, as the engine of the domestic economy. Swedish tax levels are still largely on par with those of its main competitors – in fact, taxation of business is low from a comparative perspective.

Citation:

Finanspolitiska Rådet. Swedish Fiscal Policy. Fiscal Policy Council Report 2017 (<http://www.finanspolitiskaradet.se/download/18.4c8bf10a160291805212159b/1512728204599/Swedish+Fiscal+Policy+2017.pdf>)

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

Mehrtens, Philip (2014), *Staatsschulden und Staatstätigkeit. Zur Transformation der politischen Ökonomie Schwedens* (Frankfurt/New York: Campus)

OECD (2015), *In It Together: Why Less Inequality Benefits All* (Paris: OECD)

Budgetary Policy
Score: 9

Budgets

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 a financial crisis in the early 1990s, 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 neither government nor opposition harbor any plans to abolish it. In 2016, a revised budget surplus goal of 0.33% was negotiated between the two major blocs in parliament. The agreement also includes a commitment to a long-term reduction of public debt. Thus, while the surplus goal is somewhat relaxed, there is now a stronger commitment to addressing public debt. Indeed, the past two budgets have reduced the budget deficit. Overall, these developments indicate a continuing bipartisan commitment to maintaining fiscal and budgetary discipline.

The budget surplus goal issue ultimately relates to the Keynesianism-monetarism controversy. The government wants to use the budget actively to drive the economy while the coalition of non-socialist parties in opposition (Alliance) take a somewhat more monetaristic approach. Either way, the fiscal and budgetary regulatory framework helps sustain a course of strong and sustained economic development. Not even the 2008 global economic crisis nor the euro crisis have profoundly disrupted Sweden's economic growth.

Since the 2014 elections, the issue in this context has been to what degree the two main contenders for power in Sweden (i.e., the four non-socialist parties that form the 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 period following the election has been very positive in budgetary terms, with strong and sustained growth. Combined with a few moderate tax increases, this situation has enabled the government to reduce national debt, but also to increase public spending. Thus, current government policies signal a return to conventional Social Democratic economic policy, albeit embedded in a firm regulatory framework.

Citation:

Brenton, S. and J. Pierre, "Budget surplus goal experiments in Australia and Sweden," *New Political Economy* 22 (2017):557-72.

Finanspolitiska Rådet. Swedish Fiscal Policy. Fiscal Policy Council Report 2016 (<http://www.finanspolitiskaradet.se/download/18.3a8070ba157c4f032a872f5b/1476880513278/Swedish+Fiscal+Policy+2016.pdf>).

Finanspolitiska Rådet. Swedish Fiscal Policy. Fiscal Policy Council Report 2017

(<http://www.finanspolitiskaradet.se/download/18.4c8bf10a160291805212159b/1512728204599/Swedish+Fiscal+Policy+2017.pdf>).

Mehrtens, Philip (2014), Staatsschulden und Staatstätigkeit. Zur Transformation der politischen Ökonomie Schwedens (Frankfurt/New York: Campus).

Regeringen (2016), Överenskommelse om skuldankare, nytt överskottsmål och förstärkt uppföljning (<http://www.regeringen.se/4a7bfa/contentassets/24a388a9a9994e67a706e0b91768bdd2/overenskommelse-om-skuldankare-nytt-overskottsmal-och-forstarkt-uppfoljning.pdf>).

Research and Innovation

R&I Policy
Score: 10

Sweden ranks among the top five advanced industrialized democracies on all aspects of research and development (R&D): spending (public and private) per capita; number of researchers; number of patent applications and intellectual ownership licenses. 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.

Meanwhile, the new era of digital entrepreneurship has seen Sweden emerge as a global center of digital innovation. This applies to digital communication, computer games and IT-based services. The World Economic Forum, which views Sweden's tax levels as burdensome, suggests that the social welfare safety net has made Swedes less risk averse than entrepreneurs in many other countries. Overall, it appears that much of this success can be attributed to deregulation and other pro-business reforms that were introduced by the previous, non-socialist government between 2006 and 2014.

Citation:

Digitaliseringskommissionen (2015): Digitalisering, främjande och framtid. En utredning kring behov av digitaliseringsfrämjande insatser (Stockholm) (https://digitaliseringskommissionen.se/wp-content/uploads/2015/02/Digitalisering-fr%C3%A4mjande-och-framtid-Slutlig-februari-2015_korrigerad.pdf).

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

World Economic Forum (12 October 2017), "Why does Sweden produce so many startups?"

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 finance ministry 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 financial management fees. Another potential source of friction between the finance ministry and the major commercial banks is related to political signals to force lenders to mortgage their loans and not just pay interest. The Ministry, in concert with the National Bank, is concerned about the level of household debt, suggesting that there is a growing bubble in the metropolitan real-estate markets. Reducing debt and/or phasing out the right to deduct interest payments would help reduce the likelihood of such a bubble. Although the banks do not have a commercial interest in debt reduction, they too have recently stated concerns with the high household debt levels.

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: 7

Education policy remains a subject of heated debate in Sweden. Critics point to how Sweden has slipped in recent years in most international comparisons in terms of student knowledge and analytical skills. Sweden now ranks 19th on PISA (up from 32nd in the previous PISA report), which indicates that the decline appears to have been arrested. Even so, this remains an alarmingly poor ranking for a country relying on knowledge-intensive sectors for its economic growth and competitiveness. Some studies attribute the decline to the decentralization of primary education in the early 1990s; others argue that the teaching profession is not held in high enough regard within society and thus fails to attract highly qualified professionals; while yet others suggest that poor performance could in part be attributed to the fact that many teachers lack the formal qualifications needed to teach the subjects they are teaching. Promisingly, all three potential sources of deterioration in primary education are now on the policy agenda. Overall, it remains clear that Swedish schools continue to deliver high-quality education.

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 non-socialist government argued that it was extremely active in reforming education at all levels. The former government as well as the current red-green government have shown 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 schools. However, due to the current stalemate

in parliament, it remains to be seen if the red-green government will be successful in reaching these ambitious goals.

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. Perhaps of greater concern is the combination of a relatively high ranking (11th) in tertiary attainment and poorer PISA ranking (19th), which suggests that institutions of tertiary education may be lowering the bar with respect to entry requirements.

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. Nevertheless, equitable access to education is realized to a great extent for adult education. Sweden is rather successfully targeting the ambitious goals of life-long-learning as a high percentage of adults are regularly in contact with further education organizations.

In sum, the data shows that resources are not the key problem, and public debate shows no shortage of ideas and inclination to reform. In the spring of 2017, a major Royal Commission on education presented its findings and recommendations; these are likely to shape education policy in 2018. Education remains at the very top of the political agenda.

Citation:

SOU 2017: 35: Samling för skolan. Nationell strategi för kunskap och likvärdighet (<http://www.regeringen.se/498092/contentassets/e94a1c61289142bfbcfd54a44377507/samling-for-skolan—nationell-strategi-for-kunskap-och-likvardighet-sou-201735.pdf>).

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 intergenerational 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 today largely at par with other European countries in terms of its poverty levels and income distribution. If Sweden could previously boast an egalitarian and inclusive society, there is less justification to do so today. Reflecting on the 2014 general elections, Bo Rothstein concludes that "the days of Swedish exceptionalism are over." Not only does Sweden now have a strong anti-immigration party in its parliament, core data on Sweden's welfare state are moving toward levels found among comparable, average-performing countries. It remains to be seen whether the current red-green government will be able to reverse this development.

Citation:

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

Pierre, Jon (ed) (2015), *The Oxford Handbook of Swedish Politics* (Oxford: Oxford University Press).

Rothstein, Bo (2014), "The End of Swedish Exceptionalism," *Foreign Affairs*, September 18.

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 challenge, as pointed out in previous assessments, 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 2015 suggest that more than 700,000 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, or that patients are offered a brief consultation with a medical doctor, which means that the 90-day rule on service delivery is met.

- 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>).

Dickinson, H. and J. Pierre (2016), “Between substance and governance: Healthcare governance and the limits to reform,” *Journal of Health Organization and Management* 30:1-9.

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 parental leave program is expected to be expanded further, adding another month which can only be used by the father (a so-called “daddy-month”), thus incentivizing fathers to take more time off to engage in the care of their children.

The basic difference between the Social Democratic and Green parties in government and the non-socialist Alliance parties is that the former emphasize gender equality whereas the latter emphasize freedom of choice. Both constellations of parties are, however, fully committed to the overarching goals of family policy and see it as integral to promoting gender equality.

Citation:

Eydal, Guðný Björk/Rostgaard, Tine (eds.) (2015): *Fatherhood in the Nordic Welfare States. Comparing Care Policies and Practice* (Bristol: Policy Press).

Pierre, Jon (ed) (2015), *Handbook of Swedish Politics* (Oxford: Oxford University Press), esp. Section 1.

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 pension insurance are, however, eligible for additional support from social welfare programs.

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 intergenerational 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.

In Sweden, you can retire as early as 61 years of age, but that will give you a rather low monthly pension. You may continue to work up until 67 years of age; an agreement between the Social Democrats and the conservatives to extend that rule to 69 years was reached in September 2016. In late 2017, a new agreement was reached between the government and most of the opposition parties to increase the retirement age to 69 years of age. The government is expected to introduce this proposal to the parliament (Riksdag) in 2018.

Citation:

OECD (2016), OECD Pensions Outlook 2016 (Paris: OECD).

OECD (2017), Pensions at a Glance (Paris: OECD).

Integration

Integration Policy
Score: 7

By most international comparisons, Sweden has a generous immigration policy. The country has received a large number of refugees from Iraq, Afghanistan, and Syria and, in 1992, from the 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.

As is the case across Europe, the war in Syria has triggered huge immigration to Sweden. In 2015 and 2016, Sweden received some 163,000 and 29,000 asylum-seekers respectively; for 2017, as of mid-November, the number is about 22,500. Permanent residency was granted to circa 120,000 refugees between 2015 and 2017. Sweden offers permanent residency for unaccompanied children and for Syrian families with children. These provisions, however, are highly disputed in contemporary public discourse and in the parliament.

The increasing immigration represents a major challenge, unprecedented in size and scope, 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 extensive 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, thus indicates that 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. The current surge in immigration in the wake of the Syrian crisis has exacerbated these problems. Whether this is a short-term phenomenon or a lasting situation remains to be seen.

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).

Multiculturalism Policy Index (<http://www.queensu.ca/mcp/>).

Safe Living

Safe Living
Conditions
Score: 7

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 and/or gang-related crime shows no sign of waning, rather the opposite. Many media accounts of homicides and assaults relate these incidents to 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. These problems appear to have been exacerbated during the last couple of years: Sweden is falling in international rankings on the number of homicides, the percentage of crimes which have been resolved and brought to trial is decreasing, and media reports argue that gang-related violence in distressed suburbs and neighborhoods is rapidly increasing.

In 2015, regional police districts and core national staff were merged into one police authority. A recent evaluation conducted by the Swedish Agency for Public Management (Statskontoret 2017:10) found that the organizational reform has not improved performance and that the organization remains fragmented.

Both the red-green government and the opposition argue that recruiting more police officers is an important part of the response to this situation. There is also a growing understanding that some percentage of rising crime levels in metropolitan areas reflect a failure of integration programs.

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 petty crimes such as theft and burglary that are solved is still lower than deemed acceptable by many Swedish citizens.

Citation:

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

Statskontoret (2017), Ombildningen till en samlad polismyndighet – Delrapport 2 om den nya organisationens genomslag (Stockholm: Statskontoret).

Global Inequalities

Global Social
Policy
Score: 10

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 sub-Saharan countries, toward aid directed at countries that are closer to Sweden. This involves, for instance, promoting democratization and civil society in Eastern Europe. There are growing concerns about the effectiveness and efficiency of some foreign aid programs and the risk of aid being used for unintended purposes by actors in the receiving country. That said, the commitment to international solidarity and aid to developing countries remains very strong.

The post-2014 red-green government has launched a campaign of “feminist foreign policy” which has gained international attention. International solidarity has a gender dimension, the argument goes, which has long been ignored. This foreign policy approach has been introduced in different international venues such as the UN and the EU. The new government has also become known for showing less tolerance than its predecessors with what it describes as “medieval” punishment techniques employed in Middle East countries, something which has caused some diplomatic friction. More broadly, the return of the Social Democrats to government has reenergized Swedish foreign policy. It has become more visible, but also more controversial.

Citation:

Pierre, Jon (ed) (2015), The Oxford Handbook of Swedish Politics (Oxford: Oxford University Press), esp. Section 7.

III. Environmental Policies

Environment

Environmental
Policy
Score: 9

As is the case with global social injustice, Sweden tries to be a forerunner in environmental policy as well. Sweden performs extremely well in areas such as reduction of greenhouse gas emissions and the use of renewable energy sources but is not a leader in recycling or water usage. Thus, while there is strong political commitment among all the major political parties, the execution of that commitment in some aspects is still lagging. Meanwhile, Sweden continues to push environmental issues in international forums such as the EU and is a strong supporter of the Paris Agreement.

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. It should be noted that 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 Social Democrats formed a coalition government with the Greens. While both the Social Democrats and the Greens are strongly committed to “green” issues, it seems as if the Greens’ ascendance to power has further increased the attention on environmental issues. Nonetheless, the two coalition partners do disagree on some issues. For instance, they do not seem to agree on the future of nuclear power; the Social Democrats want to study the issue further whereas the Greens want to shut down two reactors before the next elections (in 2018). Meanwhile, as fate would have it, two nuclear power plants are now scheduled to be closed over the next few years by their owners due to falling electricity prices and the resulting low profitability.

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, including the Paris climate change conference in November and December 2015. Indeed, the country has a record of going beyond the requirements of international

accords, from the Kyoto Protocol to the Paris Agreement, 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. Sweden is also a very active player on the EU's environmental policy agenda.

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.

Citation:

Bengtsson, Åsa et al. (2014), *The Nordic Voter. Myths of Exceptionalism* (Colchester: ECPR Press).

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

Oscarsson, H. and S. Holmberg (2014), *Svenska väljare* (Stockholm: Wolters Kluwer).

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, journalists have a significantly stronger preference for the Green and the Left parties than does the electorate as a whole. There is also a genuine left-wing media, particularly present on the internet. It should also be noted that 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 social media and other new forms of information sharing are increasing. These media are becoming more important for political campaigns. Though the information provided by social and other electronic media is vast and varied, selectivity facilitates a more narrow consumption of information than in traditional print media.

Citation:

Asp, K. (2012), "Journalistkårens partisimpatier," in K. Asp (ed.), *Svenska Journalister 1989-2011* (Gothenburg: JMG), 101-107.

Olsson, J., H. Ekengren Oscarsson and M. Solevid (eds.) (2016), *Equilibrium* (Gothenburg: The SOM Institute).

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 €52 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/

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 referendums cf. 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). In November 2017, a Royal Commission (SOU 2017:79) suggested that public service radio and television should henceforth be financed not via license fees but through a tax. This matter is likely to be widely debated during 2018.

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 television channels. It is noteworthy that trust is especially high in public media (television and radio), whereas trust in private media (especially television) 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:

Andersson, U. et al. (eds.) (2017), *Larmar och gör sig till* (Gothenburg: The SOM Institute) (<https://som.gu.se/publicerat/bocker/70.-larmar-och-gor-sig-till>).

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

Olsson, J., H. Ekengren Oscarsson and M. Solevid (eds.) (2016), *Equilibrium* (Gothenburg: The SOM Institute).

SOU 2017:79 *Finansiering av public service – för ökad stabilitet, legitimitet och stärkt oberoende* (<http://www.regeringen.se/4a9767/contentassets/c557ad42ef7245daa0b9f60a8fe54769/finansiering-av-public-service-for-okad-stabilitet-legitimitet-och-starkt-oberoende-sou-201779>).

Media Pluralism
Score: 9

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

Citation:

Andersson, U. et al. (eds.) (2017), *Larmar och gör sig till* (Gothenburg: The SOM Institute) (<https://som.gu.se/publicerat/bocker/70.-larmar-och-gor-sig-till>).

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

Olsson, J., H. Ekengren Oscarsson and M. Solevid (eds.) (2016), *Equilibrium* (Gothenburg: The SOM Institute).

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 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:

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

Olsson, J., H. Ekengren Oscarsson and M. Solevid (eds.) (2016), *Equilibrium* (Gothenburg: The SOM Institute).

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 for this indicator.

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, which incentivizes staff to prioritize efficiency and closure over full legal consideration. Moreover, the immigration administrative system has come under considerable stress from the rapid increase in asylum-seekers caused by the Syrian war. The Migration Agency has done its utmost to step up to this challenge by increasing staff and introducing work shifts to deal with the soaring number of immigrants.

Also, there were instances in the recent past which raise issues about the extent to which state institutions or actors uphold the basic civil rights codified in the constitution. There is a current debate about whether it is humane to return young Afghan men or boys who have been denied asylum to their country of origin. While such extradition is consistent with the law – migrants that have been denied asylum are to be extradited – these cases still raise questions about what constitutes humane treatment. The number of cases where extradition has raised objections in the media increased significantly in 2015 and 2016 along with the increase in asylum applications.

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 performing the same work as well as 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 metropolitan areas in Sweden has increased. This societal fracturing remains an unsolved political challenge in contemporary Sweden. With the increased immigration in 2015 and 2016 there is an imminent risk that these challenges will be exacerbated.

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. With a Weberian-style public administration, values of legal security, due process, transparency and impartiality remain key norms. The only disturbing observation in this context is the growing emphasis on efficiency in public administration that has arisen in the context of a recent public management reform. This focus on efficiency potentially jeopardizes the integrity of legal certainty and security, in particular with respect to migration processes. Recent media reports have shown that pressures on migration staff to process a given number of asylum applications within a specific timeframe undermines the legal certainty and fairness of case work.

There are now signs emerging that market-based administrative reforms may have peaked in Sweden; there is now a search for a “post-NPM” or “neo-Weberian” model of administration. Again, the tension between efficiency goals in public administration and legal security is well-known but still looms large in the context of administrative reform. Most recently, the red-green government announced plans to downplay New Public Management as a philosophy of public sector reform and to re-emphasize trust (“tillit”) as a normative foundation of the public administration. A series of “experiments,” replacing performance management with various types of trust-based management, have been carried out in 2017, primarily at the local and regional level. A series of reforms is scheduled for 2018.

The clients of the administration and the courts also expect 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 keeps a close watch on the application of the rule of law in Sweden.

Different arrangements to protect and strengthen the position of whistleblowers came into force in 2017 and are now being implemented.

Citation:

Petersson, O. (2014), *Den offentliga makten* (Lund: Studentlitteratur).

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

The 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.

Corruption
Prevention
Score: 9

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.

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. There are, however, significant differences among government agencies in the level of trust they enjoy from citizens, with the National Tax Agency being the most trusted agency and the National Social Insurance Agency and the Labor Market Agency the least trusted.

Corruption at the state level remains extremely rare 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. This tendency has continued during the period of review.

Citation:

Andersson, U. et al. (eds.) (2017), *Larmar och gör sig till* (Gothenburg: The SOM Institute) (<https://som.gu.se/publicerat/bocker/70.-larmar-och-gor-sig-till>).

Olsson, J., H. Ekengren Oscarsson and M. Solevid (eds.) (2016), *Equilibrium* (Gothenburg: The SOM Institute).

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 finance ministry 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 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 was not an institutionalized feature of the normal policy process but rather a group of experts the government appointed to look into long-term issues. The creation of the commission does signal that the government is thinking in the longer term, and other commissions have since been appointed to take a similar long view on various issues on the policy agenda.

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 has had a negative impact on those commissions' final reports and the quality of the advice they produce as well as the political role of commissions as a forum in the policy process where compromises among the political parties can be negotiated.

Citation:

Zetterberg, K. (2011), "Det statliga kommittéväsendet: En del av den svenska modellen," *Svensk Juristtidning* 8:753-763.

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

Garsten, C., B. Rothstein and S. Svallfors (2015), *Makt utan mandat: de policyprofessionella i svensk politik* (Stockholm: Dialogos).

Scholarly Advice
Score: 8

The government's search for scholarly advice is today less institutionalized 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. There is a similar pattern among agencies that set up scientific councils to provide advice. There also appears to be a trend among agencies to organize hearings and public debates to bring in a variety of views on current issues. This can be seen not least in the context of administrative reform where commissions and agencies like the Swedish Public Management Agency frequently organize these kinds of meetings.

Overall, the government department staff solicits advice or other contacts with external actors less frequently than in the past. Communication is today managed in detail and there are disincentives to open up to external actors at

sensitive stages of the policy process. The extent to which the government remains open to scholarly advice depends much on how politically salient the issue is. When policymakers seek scholarly advice, it is in most cases ad hoc and selective.

A recent study by Garsten, Rothstein, and Svallfors argues that “policy professionals” – networks of non-elected but highly influential policy experts – have significant influence on policymaking and policy design.

Citation:

Garsten, C., B. Rothstein and S. Svallfors (2015), *Makt utan mandat: de policyprofessionella i svensk politik* (Stockholm: Dialogos).

Interministerial Coordination

GO Expertise
Score: 8

Interministerial 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. The previous government (2006 – 2014) implemented a major program (“RK Styr”) in order to strengthen the coordination among 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 finance ministry. 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 places 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 parliament (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 finance ministry has become a “primus inter pares” among the departments; a pattern that emerged in the wake of the financial crises in the early 1990s but that has remained ever since.

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), *Steering from the Center* (Toronto: University of Toronto Press).

Jacobsson, B., J. Pierre and G. Sundström (2015), *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 political or 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 minority coalition government, policy progress must be coordinated not just among departments, but also among the governing partners and the opposition.

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).

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 finance ministry, play a crucial role in policy developments. Also, there are established but informal rules regulating procedures when there is disagreement among the non-political advisers on how to design policy. Essentially, the political level of the department should only be consulted when its ruling is critical to policy formulation; otherwise policy design should rest with non-partisan members of staff.

When the government is made up of more than one party, as has been the case for most of Sweden’s recent history, there are mechanisms in place when disagreement arises. Either the political leadership proactively intervenes in the policy-planning process to resolve disagreements or such disagreements are “lifted” to the political level for a ruling.

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

Citation:

Jacobsson, B., J. Pierre and G. Sundström (2015), *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).

Page, E. C. (2012), *Policy Without Politicians: Bureaucratic Influence in Comparative Perspective* (Oxford: Oxford University Press).

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

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 than 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 significant problem, although some measures have been implemented to address that problem. Many departments still find it difficult to coordinate policy across departmental boundaries. Departments that were formed through mergers of departments tend to display “subcultures” of the former departments.

Citation:

Jacobsson, B., J. Pierre and G. Sundström (2015), *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).

Informal
Coordination
Score: 8

Informal mechanisms of coordination among civil servants and higher-ranking politicians alike are common and important in the Swedish system, although they may not always be effective. And yet, informal contacts between departments and agencies are believed to be integral to the efficiency of the politico-administrative system. Informal coordination procedures effectively filter many, but not all, policy proposals.

Citation:

de Fine Licht, J. and J. Pierre (2017), *Myndighetschefernas syn på regeringens styrning* (Stockholm: Statskontoret).

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: 8

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 current red-green government appears to have a more continuous dialog with organized interests, primarily the unions, than the earlier “Alliance” government. Even so, Swedish corporatism is weaker today than it was in the 1970s and 1980s. 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:

Pierre, J. (ed) (2015), *Oxford Handbook of Swedish Politics* (Oxford: Oxford University Press), esp. Section 10.

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. It 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; indeed, in some ways it may even have been too successful. Scholars and the media are increasingly objecting to problems in accessing ministers and other representatives of the governing parties. There is also increasing frustration with the GO'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.

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

Implementation

Government
Efficiency
Score: 9

The implementation capacity of the Swedish government is strong. The circa 340 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 no longer follows a strict command and control pattern; rather, it is a more interactive form of governance where departments utilize the expertise in the agencies during the early stages of the policy process. This pattern is largely due to the fact that policy expertise is located not just in the departments but also in the agencies. The total number of staff in the departments is about 4,600, whereas the number of staff at the agency level is about 220,000. To a large extent, and with considerable variation among policy sectors and even specific issues, agencies provide informal advice to government on policy design. In some cases, there is a weekly dialog between departments and agencies, not just on what departments want agencies to do but also on matters of policy design. This means effectively that agencies are involved in shaping the policies they will later implement. This arrangement obviously increases the agencies' commitment to a policy, but at the same time it complicates the implementation process.

The main challenge in implementing government policies is not institutional but political. The current red-green government does not control a majority of seats in the parliament. As a consequence, policy proposals must be negotiated with the opposition parties. If all opposition parties unite against the government, the government's proposals are defeated. The complexity of this parliamentary situation significantly complicates the policy process.

Citation:

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

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 must 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. Recently, there has been a tendency to reduce the number of objectives and performance indicators on which the agencies are to report. This tendency is likely to continue over the next several years.

It should be noted that there is a significant imbalance between the departments and the agencies. The GO has a total staff of about 4,600. The total staff in the agencies is about 220,000. 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: 5

Unfunded, or insufficiently funded, mandates have been a long-standing 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.

As a reaction to the large number of asylum-seekers in 2015 and 2016, the red-green government to a great extent funded the additional work required of local authorities. However, this additional funding does not change the fact that in more routine exchanges between the central government and local government, funded mandates remain usually insufficient. In 2017, much of the central government's support to local authorities to assist their work with asylum-seekers was terminated; it is now up to local authorities to fund these activities. This may generate gradually increasing local taxes.

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. In terms of crisis, extraordinary challenges or when there are major national interests at stake, however, government can increase its pressure on local government, despite the latter's formal autonomy. In these cases, the usual procedure is first to negotiate with the Swedish Association of Local Authorities and the Regions (SALAR) and, if that proves unsuccessful, introduce stronger regulatory measures. For instance, in 2015, to what extent the central government should force all local authorities to receive asylum-seekers was

thoroughly debated.

Pre-policy studies conducted in 2016 show that state control over autonomous local governments has increased gradually during the past several years. Such control reaches not across the board but is generally targeted at specific issues and programs such as education. The government and its key advisory agencies are currently reviewing intergovernmental relations in preparation of a reform proposal that will be presented to the parliament in 2018.

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 extensively evaluate the performance of schools and publicize evaluation reports (i.e., to “name, blame and shame” underperforming schools). Thus, government exercises a strategy of steering by auditing. 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).

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

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 and a feminist approach to international relations and peacekeeping.

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 through “soft power.”

Citation:

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

Pierre, J. (ed) (2015) *Oxford Handbook of Swedish Politics* (Oxford: Oxford University Press).

Organizational Reform

Self-monitoring
Score: 9

Institutional arrangements of governing obviously cover 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. There are about 340 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. The red-green government that came into power in 2014 has launched a process of reducing the number of performance indicators that agencies are requested to provide data on. These efforts are part of a larger project to replace New Public Management models of public sector management with a more professionally and trust-based model of management. Several reforms of this kind have been developed during 2016 and are scheduled to be implemented in 2018.

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. Again, governments have not hesitated to alter the configuration of departments or agencies when deemed necessary to reflect the changing agenda of the government.

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%, 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:

Olsson, J., H. Ekengren Oscarsson and M. Solevid (eds.) (2016), *Equilibrium* (Gothenburg: The SOM Institute).

Oscarsson, H. and S. Holmberg (2014), *Svenska väljare* (Stockholm: Wolters Kluwer).

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 collectively 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 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.

Obtaining
Documents
Score: 10

Parliamentary committees (or indeed any persons) have the right to review all public documents in Sweden unless they are classified or part of an ongoing decision-making process.

In this respect, the Swedish system leaves very little to be desired. The problem, instead, 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.

Summoning
Ministers
Score: 9

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, summoned ministers will appear in parliamentary committees. A few years ago, there was extensive media attention on a couple of instances when former cabinet ministers declined to appear before a parliamentary committee.

The hearings occur regularly and are often broadcasted by public service television. The results of the hearings are published and accessible to everyone.

Summoning
Experts
Score: 10

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.

Task Area
Congruence
Score: 9

There is a high degree of congruence between government departments and parliamentary committees, but no perfect overlap. This is of course no coincidence. The configuration of government departments is more flexible than that of parliamentary committees, which has undergone very few changes over the last several decades. 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 parliament (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.

Audit Office
Score: 9

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. For all intents and purposes, the audit office now reports to the parliament. The mandate and mission of the audit office is such that this represents the only chain of accountability. In this respect, the constitutional

role and mandate of the audit office is now in harmony with INTOSAI standard.

The audit office underwent a major crisis during 2016, culminating with the resignation of the three national auditors. The crisis did not trigger a revision of the constitutional mandate of the audit office, although the parliament did point out that they wanted a “closer relationship” with the audit office.

Citation:
www.riksrevisionen.se

Bringselius, L. (2013), *Organisera oberoende granskning: Riksrevisionens första tio år* (Lund: Studentlitteratur).

Bringselius, L. (ed.) (2017), *Den statliga revisionen i Norden: forskning, praktik och politik* (Lund: Studentlitteratur).

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 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 the

most part, balanced. There is obviously sometimes less professional coverage, too, but taken together, the quality of Swedish newspapers is very good.

Citation:

Olsson, J., H. Ekengren Oscarsson and M. Solevid (eds.) (2016), *Equilibrium* (Gothenburg: The SOM Institute).

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.

Citation:

Garsten, C., B. Rothstein and S. Svallfors (2015), *Makt utan mandat: de policyprofessionella i svensk politik* (Stockholm: Dialogos).

Pierre, J. (ed) (2015), Oxford Handbook of Swedish Politics (Oxford: Oxford University Press), esp. Section 10.

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.

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 large staff that conduct high-quality studies and present 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.

Citation:

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.

Address | Contact

Bertelsmann Stiftung

Carl-Bertelsmann-Straße 256
33311 Gütersloh
Germany
Phone +49 5241 81-0

Dr. Daniel Schraad-Tischler

Phone +49 5241 81-81240
daniel.schraad-tischler@bertelsmann-stiftung.de

Dr. Christof Schiller

Phone +49 5241 81-81470
christof.schiller@bertelsmann-stiftung.de

Dr. Thorsten Hellmann

Phone +49 5241 81-81236
thorsten.hellmann@bertelsmann-stiftung.de

Pia Paulini

Phone +49 5241 81-81468
pia.paulini@bertelsmann-stiftung.de

www.bertelsmann-stiftung.de
www.sgi-network.org