ORGANISING and GOVERNING GOVERNMENTAL INSTITUTIONS

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Essays in honour of

DAG INGVAR JACOBSEN

Abstracts

PART I: SETTING THE STAGE

CHAPTER 1: PUBLIC ORGANISATIONS AND THE STUDY OF CONTEMPORARY POLITICS

Jarle Trondal and Rómulo Pinheiro

Chapter one introduces the three key ambitions of this volume. It examines three interconnected themes in political science: the nuts and bolts of (local) government, the complex and evolving relationship between politics and administration, and continuity and change in (local) government. This introductory chapter discusses these themes and outlines how this volume theoretically and empirically contributes to the discourse on each of them. The chapter is organised as follows: the first section discusses the nuts and bolts of (local) government and outlines the organisational dimension of politics, the second section examines the complex and co-evolving relationship between politics and administration, and the third section discusses continuity and change in (local) government, the final section outlines the contribution and structure of the volume.

Keywords: Local government, nuts and bolts, organisational dimensions, politics and administration, continuity and change, public organisations, contemporary politics.

PART II: THE NUTS AND BOLTS OF (LOCAL) GOVERNMENT

CHAPTER 2: ORGANISATIONAL DESIGN AND THE QUEST FOR PRACTICAL RELEVANCE

Morten Egeberg

The relevance of political science in terms of practical problem-solving is an enduring topic. Within the sub-discipline "Public Policy and Administration" (PPA), an organisational design focus represents an obvious avenue in this direction. However, many PPA scholars seem more attracted by a policy design focus. This is a bit surprising since the dependent variables (the effects that are to be achieved through policy design/intervention) tend to be located outside the political-administrative sphere; they are typically about societal and environmental effects that are probably better studied by economists, sociologists, biologists etc. A focus on organisational design, on the other hand, may be more to the point in a PPA context since the interesting effects are then found among classical political science dependent variables (such as the governance process and the content of public policy). Although policy-makers certainly need knowledge about how public policies affect the society, economy and environment, they also, arguably need knowledge on how desired policies might actually materialize in a systematic manner. This chapter outlines an organisational design approach within a PPA context, and highlights in particular two topics to which Dag Ingvar Jacobsen has made important contributions.

Keywords: governance, horizontal structures, organisation culture, organisation demography, organisation design, organisation locus, organisation structure, physical structure, policy design.

CHAPTER 3: PUBLIC SECTOR LEADERSHIP: CONDITIONS, CHALLENGES AND AVENUES

Hanne Foss Hansen

The discussion in this chapter addresses the conditions in which public sector leadership is enacted: The political context, the high pace of change and the conflicting goals and values. Complexity, changeability and ambiguity are important challenges for public sector leaders. Upon this background, conventional and alternative generic leadership theories are explored that ask: May these theories help public leaders? Further specific public sector leadership theories are explored by asking: What may these offer public leaders? The conclusion

is that conventional generic leadership theories, for instance transformational leadership, may help public leaders to motivate employees, whereas alternative generic leadership theories such as situational leadership, translation leadership and chaos leadership may help public leaders to handle emerging agendas and new organisational ideas as well as support innovation. Public leaders, however, also need specific public sector leadership theories in order to cope with the hybridity of public organisations. Only through manifold leadership theories can the demand be ensured for good public leadership that includes contextual, situational and relational elements.

Keywords: public sector characteristics, transactional leadership, transformational leadership, situational leadership, translational leadership, chaos leadership, public sector leadership.

CHAPTER 4: PUBLIC SERVICE MOTIVATION AMONG DANISH AND NORWEGIAN LOCAL GOVERNMENT ADMINISTRATIVE MANAGERS

Dag Olaf Torjesen, Tor Ivar Karlsen, Charlotte Kiland and Morten Balle Hansen

Public Service Motivation (PSM) refers to a type of unique motivation to perform behaviour that typically relates to the public sector, such as doing good for others and society and improving the provision of public services. In this chapter, we compare two Scandinavian cases of public service motivation within an administrative local government context: Denmark and Norway. The study is built on survey data collected among municipal administrative managers from three managerial levels in Denmark and Norway. By contrasting and comparing PSM profiles among Danish and Norwegian administrative local government managers, we analyse which factors can explain the similarities and differences in PSM among these administrative elites. We show that Danish managers are more dependent on and woven into the political system, and thereby more attracted to policy making, whereas their Norwegian counterparts score higher on commitment to public interest and compassion. In both countries, managers at lower hierarchical levels closer to the production and provision of public services are inclined towards higher scores on compassion. Our findings add to the scarce knowledge on the behaviour of local administrative elites from a PSM perspective. Furthermore, these provide a basis for further research and time-series data to explore PSM in relation to the more current changes in local government.

Keywords: public service motivation, public administration, local government, administrative elites, Scandinavia.

CHAPTER 5: LEADERSHIP OF ORGANISATIONS: THEORY AND EVIDENCE FROM THE DEVELOPMENT OF NORWEGIAN SCENIC ROUTES

Charlotte Kiland and Zuzana Murdoch

While a good deal of academic attention has been devoted to leadership inside organisations, less is known about the leadership of organisations. In this chapter, we argue that leaders of organisations have three key functions: i) introduce and develop new mental models of the organisation; ii) cultivate external supporting mechanisms that buttress legitimacy; iii) defend against the demise of the organisation. We assess these ideas empirically by examining the case of Norwegian Scenic Routes (Nasjonale Turistveger) – a new policy programme by the Norwegian Public Roads Administration under development since the mid-1990s. Building on documentary evidence as well as interviews, we found considerable support for our theoretical arguments. Our findings contribute to the understanding of how leaders create and maintain institutions in a new and divergent field, which links our analysis to research on institutional entrepreneurship and institutional work. Furthermore, since our case involves a large number of stakeholders across three levels of government, it also allows drawing new lessons for the literature on multi-level and collaborative governance.

Keywords: leadership, institutional change, institutional work, institutional entrepreneurs, public administration.

CHAPTER 6: PROSOCIAL MOTIVATION AND LOCAL POLITICAL LEADERSHIP

Lene Holm Pedersen, Lotte Bøgh Andersen and Nanna Thomsen

Investigating the associations between five leadership indicators, public service motivation (PSM), and sense of community responsibility (SOC-R), this chapter integrates insights from Public Administration and Community Psychology into the study of local political leadership. We ask how PSM and SOC-R are associated with (present and potential future) formal positions among local councillors and their behaviours in these positions. We answer this question based on a nationwide survey of Danish local councillors (n = 946). The key

findings are that PSM is associated with having a formal leadership position (mayor or committee chair) in the present election term, while SOC-R is associated with the intention to run for re-election, transformational leadership, and the use of verbal recognition. Neither PSM nor SOC-R is associated with consensus building. Our findings suggest that PSM and SOC-R are both relevant for local political leadership, but that other factors (e.g., membership of the dominant coalition and perceived influence) should also be considered.

Keywords: political leadership, local government, public service motivation, sense of community responsibility.

CHAPTER 7: AMBIGUITY WITH A PURPOSE. THE COUNTY GOVERNOR AS A MULTILEVEL ACTOR, SHAPING THE NORWEGIAN LOCAL GOVERNMENT REFORM

Anne Lise Fimreite and Yngve Flo

This chapter describes how the Norwegian Local Government Reform was coordinated across government levels from the time of its inception (Spring 2014) to when the recommendation on the alterations in the municipal structure was presented (Autumn 2016). Our main focus is the role of the 18 county governors in the process. The Norwegian county governors are civil servants with a strong position as mediators and liaisons between central and local levels. Their role is differentiated according to variations in needs and aspects in their county. During the reform process, the county governors were given a twofold designated role as: 1) guides for local processes that could lead to mergers between municipalities, and 2) nominators of which specific municipalities the Parliament should decide to merge. They did not receive a concrete mandate on how to handle this double role, and each county governor interpreted the role differently. Based on rich qualitative material, we present empirical evidence of the different interpretations. We conclude that the ambiguity in the mandate was a factor that made this multilevel reform possible – against several historically-based conditions and presumptions. Ambiguity became an important element in the meta-governance of this multilevel reform.

Keywords: amalgamation reform, local government reform, multilevel reform, county governors, ambiguity, liaison position, guides, nominators, meta-governance.

CHAPTER 8: META-GOVERNANCE IN THE SOCIAL INVESTMENT STATE: LESSONS FROM THE GERMAN CASE

Alexander Berzel and Tanja Klenk

In the last two decades, the emergence of a new social policy paradigm – the social investment state – has been widely discussed. This paradigm shift in social policy is also interesting from a public administration perspective since the new paradigm is characterized by a strong interest in the operational dimension of welfare state policy. In this respect, local networks with cross-sectoral coordination are considered crucial to achieve social cohesion. The "rules of the game" for local networks, however, are often defined by higher state levels. Studying the vertical-horizontal intersection of social investment policies is particularly interesting for administrative systems that are characterised by a strong emphasis on vertical lines. Germany is a case in point. Thus, we have investigated 48 SI projects in 16 German states. Analytically, we draw on the meta-governance approach and examine how higher state levels encourage and facilitate local networks. Empirically, we use data from expert interviews and policy document analysis. We can show that German state ministries use tools of meta-governance intensely and interpret this as a sign of policy learning to overcome typical problems of network governance, such as weak links, structural holes, or lacking legitimacy. Nevertheless, our results also reveal the limitations of the recent policy approach. So far, the tools of meta-governance have not been used in a strategic way. Critically reflecting the role of meta-governance is thus the next step in making the social investment state sustainable.

Keywords: meta-governance, governance, (horizontal/vertical) coordination, integration, (local) network, problems of network governance/network failure, social policy/social services, social investment state, (social) innovation, Germany.

CHAPTER 9: EXTERNAL DIFFERENTIATED INTEGRATION: EU MACRO-REGIONAL GOVERNANCE ARCHITECTURES AND THE INCLUSION OF PARTNER COUNTRIES

Stefan Gänzle

Over the past three decades, the European Union has become an increasingly differentiated polity with respect to its functional and territorial characteristics. This also applies to the conception of what are designated as "macro-regions": Since 2009, EU Strategies for the Baltic Sea, the Danube, the Adriatic-Ionian

and Alpine "macro-regions" have been developed and cover a territory of 19 EU member and nine partner states. By focusing on common policy challenges and problems in areas susceptible to functional cooperation, e.g., infrastructure development and environmental protection, the EU macro-regional strategies arguably seek to mobilize a range of actors across different jurisdictions and scales, thus boosting transnational contacts and relations between participating countries. This chapter examines the engagement of non-EU partner countries in a complex governance architecture using the analytical lens of experimentalist external governance. Drawing on a set of semi-structured interviews conducted in 2018/19, we first seek to map the scope of involvement of partner countries, and second, we examine the extent to which external differentiation follows a functionalist or, alternatively, foreign policy logic vis-à-vis third countries. The chapter ultimately demonstrates that foreign policy logic has superseded functionalist-driven technocratic networking between the EU and its neighbouring states.

Keywords: European Union; external differentiation; external and experimentalist governance; macro-regional strategies; EU partner countries; European Territorial Cooperation; functional cooperation; regional cooperation.

PART III: THE COMPLEX AND EVOLVING RELATIONSHIP BETWEEN POLITICS AND ADMINISTRATION

CHAPTER 10: QUESTIONING THE ADMINISTRATIVE IMPACT ON DEMOCRATIC INNOVATIONS

Signy Irene Vabo

Politicians depend on administrative capacity in order to plan and implement democratic innovations. Democratic innovations are government-initiated participatory processes involving citizens and local officials in policy-making concerning problems that affect them. Based on the literature on democratic innovations, Public Value and New Public Governance, the paper shows how not only politicians, but also administrators are assumed to want to seek out interaction and dialogue with citizens. However, if administrators' approach to citizen interaction is different to and/or in conflict with that of elected representatives, the influence exercised by the administration on public policy may pose a challenge to representative democracy. The question explored in this essay is: to what extent, and under what circumstances, are elected representatives and administrators presumed to have diverging or converging needs regarding

interaction with citizens? Based on a systematic review of the literature, a framework is presented for analysing the potential for participatory innovations to support the role played by elected representatives. The analytical framework is based on a categorisation of various needs for interaction, combined with considerations about who controls the participatory arenas in question. An empirical example from Danish and Norwegian local governments illustrates the use of the framework for analysing a specific democratic innovation.

Keywords: New Public Governance, Public Value, democratic innovations, citizen interaction, task committees, administrative capacity.

CHAPTER 11: COMMUNICATION ADVISERS IN PUBLIC BUREAUCRACIES: INHABITANTS OF THE ZONE BETWEEN POLITICS AND ADMINISTRATION

Kristoffer Kolltveit

According to the Weberian ideal, civil servants should be employed based on merit and competence. Unlike politicians, civil servants should carry out their duties anonymously and without passion. Increasingly over the last few decades, in response to the constant need to respond to the media and be visible in the press, non-partisan communications professionals have been employed in ministries across Western democracies. Although hired as civil servants, these actors often work to defend the minister and secure favourable press for both the minister and the ministry, raising concerns about politicisation of the civil service. The chapter reviews the work of communication professionals in public bureaucracies. Drawing on electronic surveys of communication advisers, ministerial advisers and civil servants, the chapter argues that communication advisers in Norwegian ministries are not quite civil servants, not quite politicians. Rather, they are a different type of civil servant functioning in the intersection, or zone, between political leadership and line departments.

Keywords: advice, competence, communication advisers, civil servants, ministries, politics-administration dichotomy, politicisation, public bureaucracies, Weber, Wilson.

CHAPTER 12: THE DIFFERENCE THAT MAKES A DIFFERENCE? EXPLORING THE PURPLE ZONE OF POLITICAL AND ADMINISTRATIVE LEADERSHIP IN DANISH AND NORWEGIAN LOCAL GOVERNMENT

Christian Lo and Asbjørn Røiseland

This chapter is based on a study of political and administrative leadership in Danish and Norwegian local governments. While the two neighbouring countries share a similar governance tradition, making them suitable for a most similar comparative design, there is one important difference regarding the interaction between political and administrative leadership: While Danish mayors are formal leaders of the municipal administrations, Norwegian mayors are only leaders of the council. In this chapter, we explore to what extent such formal differences have an impact upon the perceptions political and administrative leaders have about the everyday relation between politics and administration. Empirically, the analysis draws on data from in-depth qualitative interviews with a set of Danish and Norwegian top political and administrative leaders in municipalities, all of which have recently implemented institutional changes to their leadership that actualise the relation between political and administrative leadership.

Keywords: local government, politics and administration, leadership, mayor, Nordic countries.

CHAPTER 13: LOCAL GOVERNMENT ACCESS TO CENTRAL-LEVEL DECISIONS: THE CASE OF NORWAY

Jacob Aars

The purpose of this chapter is to discuss some of the channels available to the municipal sector for access to central government decision-making fora. What potential do the municipalities have to influence national policy for local government? The chapter discusses several potential access channels: a) the local government interest group, Norwegian Association of Local and Regional Authorities (KS), b) the political parties, c) political career path, i.e., Members of Parliament with a background from local government, d) sector links between levels of government and e) local/regional government represented by the role of County Governor. The chapter demonstrates that the municipalities have numerous potential access channels. However, the channels vary with respect to how effectively they link local authorities to central government decision

arenas. The conclusion is that the portrayal of the municipalities as impotent victims of an over-eagerness for local government by the state needs to be coloured by studies that provide detailed analyses on how the municipalities utilise their potential access channels.

Keywords: local government, central/local relations, access, multilevel governance.

CHAPTER 14: THE POLITICS OF PRIVATISATION: A PANEL DATA ANALYSIS OF THE LOCAL POLITICAL SITUATION AND SHARE OF PRIVATE KINDERGARTENS IN NORWEGIAN MUNICIPALITIES (2001–2016)

Nils Arne Lindaas and Pål E. Martinussen

Following the kindergarten reform of 2003 and the later Childcare Law of 2005, access to kindergarten was made universal in Norway. The municipalities had the responsibility for providing an adequate coverage for kindergarten places, and they largely depended on private providers to provide a sufficient coverage. This study investigates whether the share of private kindergartens in Norwegian municipalities is a result of the local political situation or rather a result of "pragmatic considerations". Using longitudinal data from Norwegian municipalities during the period 2001–2016, the findings indicate that the pragmatic aspects outperform the political and ideological aspects both across and within the municipalities. We find that on average over the entire study period, municipalities with higher incomes and larger populations had lower shares of private kindergartens. As this study only found weak effects of the local political situation on the share of private kindergartens, it adds to a growing body of literature finding only limited effects of the local political situation on local privatisation.

Keywords: privatization, local government, local politics, kindergarten, municipal childcare, public services, welfare, public choice, Norway, panel data.

CHAPTER 15: CONTAINED REGIONALISM: TOWARDS A NORDIC MODEL

Jon P. Knudsen

Geography matters to politics regarding the formation of political institutions. One of the founding fathers of Nordic political science, Stein Rokkan, insisted on labelling geography a main constituent of any political system. In the Nordic scene, geography has come to be identified with issues such as nation-building, electoral behaviour, welfare distribution, demographic sparsity and regional policies. From an institutional perspective, the Nordic type of demographic sparsity has even been accorded a specific objective (Objective 6) for regional policy funding within the EU. The geographical steering system is based on a strong state and strong municipalities, leaving little relative space to the kind of (quasi-)federal regionalism so often found in other corners of Europe, with a possible exception for the Sami population in the northernmost part of the Fenno-Scandic peninsula. Still, regions aspiring to become nation states are found: Greenland, The Åland Islands and the Faroe Islands. While the geographical centre-periphery dimensions are variously articulated within each of the Nordic countries, the political system is considered legitimate to cope with these dimensions in all of them. Attempts at far-reaching reforms strengthening the regional level within the political steering systems at the expense of the state or the municipalities have thus not been very successful. This phenomenon, it is suggested, should be labelled *contained regionalism*.

Keywords: contained regionalism, Nordic models, nation-building, geography, regional steering systems, Europe of regions.

PART IV: CONTINUITY AND CHANGE IN (LOCAL) GOVERNMENT

CHAPTER 16: PARTNERSHIPS FOR CHANGE IN LOCAL GOVERNMENTS

Carsten Greve

This chapter examines the various ways that local governments enter into partnerships in order to advance an organisational change agenda and to create new public value. Local governments have become more inclined to participate in partnerships in recent years. These partnerships could be with other local governments, with partners from regional or central government, and they can also be with organisations from the private sector (companies, associations and

NGOs). The drive towards a local government characterized by partnerships makes new demands on how to manage and govern a local government. Local governments need to give up some of their decision-making power in order to enter into partnership arrangements. The chapter provides empirical illustrations of partnerships from a Danish perspective. Finally, the chapter ends by discussing a number of strategies available to local government managers as they contemplate even more partnerships in the future because of the climate crisis and the corona virus crisis.

Keywords: local government, partnerships, organisational change, public value, Denmark.

CHAPTER 17: STRATEGIES FOR CHANGE IN MUNICIPAL STRUCTURAL REFORMS

Åge Johnsen

This chapter explores how two change management strategies, which utilize either the economic results of the change (Strategy E) or the organisational process for change (Strategy O), affect three dimensions of commitment to change in municipal reforms, utilizing survey data of top and middle managers in six Norwegian municipalities. Common theories for change management have predominantly been developed from studies of private corporations in North America. These theories, therefore, may not fit directly into a Nordic, public sector context. The analysis indicates that the change management strategies were related to some dimensions of commitment to change, but sometimes in unexpected relationships. In particular, Strategy O seems to have a positive relationship to affective commitment to change but a negative relationship with continuance commitment to change. For Strategy E the relationships were reversed. Strategy O, with its emphasis on stakeholder participation, may fit pragmatism and Nordic work life and public management traditions better than Strategy E. The findings are also congruent with a practice that when the leadership perceives that there is much resistance to change, the leadership uses a process-oriented more than a results-oriented change management strategy. The chapter contributes to the change management literature by providing empirical analyses of a common theory for change management as well as how strategies for change are used in politically contested reforms.

Keywords: amalgamation, change management, commitment to change, local government structure, merger, partial least squares structural equation

modelling (PLS-SEM), path model Reform, stakeholder participation, strategies for change.

CHAPTER 18: REPRESENTATIVE AND RESPONSIBLE BUREAUCRACY: A LONGITUDINAL STUDY OVER 40 YEARS OF NORWEGIAN CENTRAL GOVERNMENT

Tom Christensen and Per Lægreid

This is a study of the demographic profile of civil servants in the Norwegian central government from 1976 to 2016. The relationship between structural features and demographic features is examined, based on theories of representative bureaucracy and responsible bureaucracy. The main result is that the civil service is not representative of the citizens and this pattern is stable over time. However, there has been a gender revolution and a large increase in the share of social scientists. Social background has a weak effect on how bureaucrats work in practice. This contrasts with the importance of organisational factors.

Keywords: governance, horizontal structures, organisation culture, organisation demography, organisation design, organisation locus, organisation structure, physical structure, policy design.

CHAPTER 19: SEARCHING FOR PATTERNS OF INNOVATIVE PUBLIC SERVICE DELIVERY: INSTITUTIONAL DESIGN IN FINNISH PUBLIC

Sanna Tuurnas, Tuula Jäppinen, and Elias Pekkola

The aim of this chapter is to study institutional design in collaborative innovation processes in Finnish public administration. Using a multiple case study approach, we examine five collaborative innovation processes based on co-design method. We formulate our understanding of institutional prerequisites by examining the goal of collaborative innovation programmes, collaborative innovation stakeholders (who), the scope of co-production (how and when) and the systemic adaptability of institutional design as a way to identify patterns across cases. The results emphasize the importance of systemic adaptability. Despite this, public organisations seem to be guided by systemic limitations, thus hindering the potential for collaborative innovation.

Keywords: collaborative innovation, co-creation, institutional design, systemic adaptability, Finnish public administration.

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PART I

SETTING THE STAGE

CHAPTER 1

Public organisations and the study of contemporary politics

Jarle Trondal and Rómulo Pinheiro

INTRODUCTION

This edited volume combines three key ambitions. It examines three interconnected themes in political science: the nuts and bolts of (local) government, the complex and evolving relationship between politics and administration, and continuity and change in (local) government. This introductory chapter discusses these themes and outlines how this volume theoretically and empirically contributes to the discourse on each of them. In doing so, this volume also honours the contribution of Professor Dag Ingvar Jacobsen to these fields of political science studies.

This chapter is organised as follows: the first section discusses the nuts and bolts of (local) government and outlines the organisational dimension of politics, the second section examines the complex and co-evolving relationship between politics and administration, and the third section discusses continuity and change in (local) government, the final section outlines the contribution and structure of the volume.

THE NUTS AND BOLTS OF (LOCAL) GOVERNMENT

Taking the Weberian model of bureaucracy as a point of departure, it is typically assumed that public bureaucracies possess capacities to shape government staff through mechanisms such as socialisation (behavioural internalisation through established bureaucratic cultures), discipline (behavioural adaptation through incentive systems), and control (behavioural adaptation through hierarchical control and supervision) (Page, 1992; Weber, 1983). These mechanisms ensure that public bureaucracies perform their tasks relatively independently from outside influences but within the boundaries set by the legal authority and (political) leadership they serve (Weber, 1947/2007). Causal emphasis is thus placed on the organisational structures of the bureaucracy and how they contribute to mobilising bias. The Weberian bureaucracy model provides a picture of organisations as creators of the "organisational man" (Simon, 1997) and as a stabilising element in politics more broadly (Olsen, 2010). According to this model, bureaucracies develop their own nuts and bolts quite independently of the societies to which they belong. The model implies that civil servants may act on roles that are shaped by the organisation in which they are employed. Key to the nuts and bolts of bureaucracy is how the bureaucracy itself is organised and institutionalised, as well as how it is embedded in a wider political order. Organisational dynamics and decision-making behaviour are thus primarily assumed to be defined by the "in-house" organisational structures of the government in question (Radin, 2012: 17).

The organisation of bureaucracy creates elements of robustness to bureaucratic processes, and concepts such as "historical inefficiency" and "path dependence" suggest that the match between environments, organisational structures, and decision-making behaviour is not automatic and precise (Olsen, 2010). An organisational approach suggests that the supply of organisational capacity has certain implications for how organisations and incumbents act. This approach starts from the assumption that organisational structures mobilise biases in public policy processes because organisations supply cognitive and normative shortcuts and categories that simplify and guide decision-makers' search for problems, solutions, and consequences (Ellis, 2011; Schattschneider, 1975; Simon, 1997). There may be several reasons why international civil servants enact certain behavioural logics. The literature suggests two main mechanisms: *adaptation* through organisational rule-following and *internalisation* through "in-house" socialisation processes. Therefore, we suggest an analytical distinction between actor-level behavioural internalisation of roles and behavioural perceptions on the one hand and actor-level behavioural and role adaptation through control and discipline on the other (Checkel, 2007; Trondal et al., 2008).

However, Lipsky (1980: 19) famously claimed that the nuts and bolts of public bureaucracies are ultimately determined by actors' conspicuous desire to maximise their own autonomy. By contrast, an institutional approach to politics argues that public governance is organisationally contingent. An institutional approach posits that the rules and routines established in a bureaucracy regulate, constitute, and bias the decision-making behaviour and role perceptions these evoke in civil servants, ultimately advancing bureaucratic autonomy (Barnett & Finnemore, 2004: 3). Thus, a theory of organisation also provides a theory of politics (Waldo, 1952). Civil servants live with a constant overload of potential and inconsistent information that may be focused on during decision situations. Institutional routines guide the decision-making behaviour of civil servants due to computational limitations and the need for selective search. Organisations create collective order out of cognitive disorder by establishing local rationalities among organisational members (March & Shapira, 1992). Organisations are systematic devices for simplifying, classifying, routinising, directing, and sequencing information towards particular problems, solutions, and decision situations (Cohen et al., 1972; Schattschneider, 1975: 58). Organisations "are collections of structures, rules and standard operating procedures that have a partly autonomous role in political life", guiding incumbents to systematically emphasise certain aspects of organisational realities (March & Olsen, 2006: 4).

Every day, modern governments formulate and execute policies with consequences for society (Hupe & Edwards, 2012). This volume theoretically and

empirically illustrates that political orders and public problem-solving require *independent* administrative resources and capacities. One necessary, albeit insufficient factor in building political order for the collective pursuit of a common good is the establishment of a permanent and independent government apparatus that serves a common interest (Trondal & Peters, 2013). The rise of political order through institutional capacity-building and bureaucratic "autonomisation" is seen as a key ingredient of state formation (Bartolini, 2005). With the gradually increased role of bureaucracies, the literature has been occupied in studying the extent to which and under what conditions such institutions can formulate their own policies and transcend a mere neutral and passive role. The craft of political order, according to this volume, is to a large extent *brought about* by the autonomy of its bureaucratic arm, that is, by the ability of bureaucracies and their staff to act relatively independently of mandates and decision premises from exogenous actors.

Government ministries and agencies are vital components of the executive branch of government that play fundamental roles in the democratic governing of modern societies (Orren & Skowronek, 2017; Vibert, 2007). Contemporary public administration is conventionally portrayed as being based on a series of dichotomies: politics versus administration, coordination versus fragmentation, integration versus disintegration, trust versus distrust, etc. (Egeberg & Trondal, 2018; Ebinger et al., 2018; Olsen, 2017; Orton & Weick, 1990; Trein et al., 2020). As an alternative, this volume conceptualises and empirically demonstrates how government bodies at different levels of governance are driven by pragmatism characterised by the co-existence of multiple decision-making premises (Ansell & Trondal, 2018). Public governance is thus seen as a positive-sum process in which officials evoke multiple decision-making premises. To account for the composite aspect of government, this volume illustrates how institutional and organisational factors structure elements in the policymaking process and how these elements are powerful tools available to deliberate design. Moreover, the volume also suggests that hybrid structures, such as networks and collaborative arrangements, are established to master unruly public problems. Therefore, this volume also responds to the appeal from Gary King (2014: 165) that ´the social sciences are undergoing a dramatic transformation from studying problems to solving them´. Tackling future policy challenges, including improving implementation and law enforcement, calls for knowledge about the possibilities for organisational design.

COMPLEX AND EVOLVING RELATIONSHIPS BETWEEN POLITICAL AND ADMINISTRATIVE STRUCTURES

HORIZONTAL FEATURES

Organisations tend to accumulate conflicting organisational principles through horizontal and vertical specialisation. When examining formal organisations horizontally, one of the several important principles suggested by Luther Gulick (1937) is to organise according to the major purpose served – such as research, health, food safety, etc. This principle of organisation tends to activate patterns of cooperation and conflicts among incumbents along sectoral divisions (Egeberg, 2006). Coordination and contact patterns tend to be channelled within sectoral portfolios rather than between them. Arguably, organising according to the major purpose served is likely to bias decision-making dynamics inwards – i.e., towards the bureaucratic organisation where preferences, contact patterns, roles, and loyalties are directed towards sectoral portfolios, divisions, and units. This mode of horizontal specialisation results in less than adequate horizontal coordination *across* departmental units and better coordination within units (Ansell, 2004: 237). In short, different forms of horizontal specialisation are likely to foster different forms of horizontal governing processes.

The horizontal dimension of governing is often triggered in situations of crisis, partly because urgency requires the establishment of auxiliary capacities of a horizontal nature. Such situations, which confront governments and public organisations with *situational and transitional challenges* to react in timely and coordinated ways, often lead organisations towards horizontal solutions because established vertical structures are either absent, poorly developed, or have been deemed failures. Moreover, long-term turbulence challenges conventional wisdom on the condition for *long-term* robust governance in situations where events, demands, and support interact and change in highly variable, inconsistent, unexpected, or unpredictable ways. Turbulence creates novel dilemmas for public organisations and is likely to push government agencies to make difficult trade-offs, pulling them in contradictory, even paradoxical, directions. To mitigate such situations, processes of horizontal reconfiguration and pooling of knowledge, resources, and capacities may become attractive options for public actors. One potential organisational choice includes designing horizontal platforms for collaborative governance that distinguish them from existing governmental structures by their strong emphasis on the inclusion of various actors from both the public and private sectors (cf. Zyzak & Jacobsen, 2020). Platforms for collaborative governance are temporary, interstitial, or secondary structures that supply additional problem-solving capacity when addressing global or local challenges (cf. Jacobsen, 2016). Moreover, such horizontal structural arrangements represent

not only flexible platform arrangements in governance, but also useful design tools available to decision makers (Egeberg & Trondal, 2018).

By working together in the common performance of tasks, semi-formal and loosely institutionalised instrumental networks between different actors allow knowledge sharing, joint strategizing, pooling of resources, and policy design in view of specific public problems. Although conceived of as interim and relatively informal structures, these platforms may, over time, acquire a degree of institutionalisation and organisational capacity, particularly where they are based on relatively stable patterns of administrative collaboration (Trondal & Peters, 2013). Connecting different policy sectors, types of actors, functional areas, and fields of expertise, they form the building blocks for robust public governance in turbulent times (Orton & Weick, 1990). In short, understanding the role of these institutional architectures is essential to understanding politics and governance in an increasingly fluid and turbulent world (Ansell & Trondal, 2018). Institutional architectures are also flexible tools available for interventions in the governing of untamed public problems.

VERTICAL FEATURES

While following a contingency perspective on organisations centred on the notion that different contingencies, including environments, resources, size, etc., favour disparate forms of organising, Jacobsen (2006: 304) contended that the relationship between politics and administration can be regarded as a functional division of labour between politicians (the so-called rulers) as principals and public administrators or civil servants, acting as agents. In relatively stable environments, a considerable degree of interaction between politicians and administrators can be formalised, minimising the requirement for direct interactions and, hence, conflict. In such circumstances, agents tend to follow standard operating rules and procedures that are intrinsically linked with their (hierarchically bound) roles, functions, and identities (March & Olsen, 2006). Given the "expectation of certainty", environmental concerns are largely ignored, with public organisations and the governance/managerial systems in which they are embedded resembling a closed or inward-oriented system (Thompson, 2008).

Given the prevalence of hierarchical relations and predetermined roles in the context of relatively stable environments, *authority* becomes a salient issue, determining relations among different agents, including between and among politicians as *masters* and administrators as guardians or conservators of existing institutional arrangements and identities (Terry, 2015). As a social phenomenon, authority pertains to "a relation that secures coordinated

behaviour in a group by subordinating the decisions of the individual to the communicated decisions of others" (Simon, 1997: 186). As an instrument or tool for coordinating collective behaviour, hierarchical or vertical structures of authority perform three critical functions within organisations (Simon, 1997: 187–191). First, authority enforces the responsibility of the agent in question to those who wield the authority. In circumstances of disobedience, an elaborate predetermined set of sanctions may be enacted:

> The notion of an administrative hierarchy in a democratic state would be unthinkable without the corresponding notion of a mechanism whereby that hierarchy is held to account. The question of responsibility must be a central issue in any discussion of the relation between administrative and legislative bodies, or in any analysis of administrative law. (Simon, 1997: 188)

Second, authority secures expertise in decision-making in light of bureaucratic rationality and administrative effectiveness. Specialisation, vertical as well as horizontal, is thought to ease decision-making and thus increase productivity, particularly in the case of large organisations (cf. March & Simon, 1958/1993). So-called experts are then located in strategic positions along the formal hierarchy of authority, i.e., "in a position where his [or her] decisions will be accepted as decisional premises by the other organisational members" (Simon, 1997: 189). To maximise expertise in terms of decision-making, one needs to move beyond the formal structure of authority, combining the "authority of sanctions" with the "authority of ideas" (Simon, 1997: 189). The latter is particularly pertinent in the context of dynamic and turbulent environments, where organisations need to mobilise repositories of in-house knowledge and experiences while tackling ambiguous and unforeseen or novel circumstances (Ansell et al., 2017; Pinheiro et al., 2022).

Third, authority allows for the coordination of activity within and across organisational boundaries (Simon, 1997: 190–191). In contrast to expertise, which involves the adoption of the best decision or solution in a given situation, coordination is, first and foremost, aimed at the joint adoption of the same decision or, in some circumstances, a set of mutually consistent decisions with the aim of achieving a predetermined shared goal or objective. As a process, coordination can take on a procedural and/or substantive aspect. Procedural coordination (the "how") "establishes the lines of authority and outlines the sphere of activity and authority of each member of the organisation" (Simon, 1997: 191). In contrast, substantive coordination (the "what") pertains to the content of the organisation's activities (for insightful remarks on the challenge of coordination across central and local government organisations, consult Christensen & Lægreid (2008) and Jacobsen (2017)).

CONTINUITY AND CHANGE IN (LOCAL) GOVERNMENT

Public governance is characterised by its hybridity and tensions (Ansell, 2011; Ansell & Trondal, 2018; Emery & Giauque, 2014). One avenue of study has examined how national public administration balances competing steering signals (Olsen, 2010). Another strand of research has focused on the time dimension, that is, on how public administration balances continuity and discontinuity across time (Pierson, 2004; Howlett & Goetz, 2014). Societal transformations evoke concerns about the sustainability and resilience of public administration and public governance (Christensen & Lægreid, 2009; Pollitt, 2008). Times of societal rupture and political unrest call upon public organisations to adapt, anticipate, reform and innovate – and at greater speeds. Contemporary public governance faces increased calls for change (e.g. during the recent COVID-19 pandemic), triggering widespread institutional soul-seeking and questioning of the changing role of the state in society and the economy (Pollitt, 2011).

Faced with calls for the transformation of public governance, one body of literature suggested that public sector organisations are indeed innovative and responsive to reform demands, thus profoundly unstable in the long-term (e.g. Ansell & Trondal, 2018). Another strand of literature focused on how government institutions and public governance processes are *profoundly* stable across time, and thus *profoundly* path-dependent with an embedded status quo bias (Pierson, 2004: 42). Whereas architects of administrative reforms claim to transform the nuts and bolts of public governance through design measures (Osborne & Gaebler, 1992), studies suggest that results come neither automatically nor efficiently (March & Olsen 1989). These insights are important since times of administrative reform and turbulence increasingly test the stability of public organisations and the reliability of public service delivery (e.g. Alvesson & Spicer, 2019; Ansell & Trondal, 2018; Olsen, 2017).

Theories of institutional change argue that change dynamics across the public sector can be approached from three distinct analytical lenses (Christensen et al., 2007). First, an instrumental view on adaptation and change argues that government-led reforms occur in a linear fashion, with results emerging from the rational implementation of predetermined plans set in motion by reform designers. In these situations, reform objectives and policy changes are seen as causally connected. A second constructivist perspective contends that reform processes are largely symbolic, underpinned by hegemonic scripts, rituals, and myths that, once adopted, infuse public organisations with positive legitimacy claims, with regard to being "modern", "responsive" to environmental and/or stakeholders demands, "entrepreneurial", etc. Finally, a third historically-oriented perspective contends that change is largely an incremental evolutionary process laden with cultural features and local attributes. In this context, it is

argued that the degree of change is a function of the extent to which reform scripts consider the layered set of institutionalised norms, values, and identities of those working with public agencies. In circumstances where there is a clash between reform logics/objectives and institutional imperatives, decoupling is likely to occur (Oliver, 1991), with local actors shielding their organisations from being co-opted by external influences and strategic interests (Selznick, 1966; Thompson, 2008).

Studies from Norway suggest that there are a number of institutional barriers preventing the influence of bureaucratic or administrative thinking among politicians (Jacobsen, 2011). Not only are political newcomers more susceptible to being influenced by seasoned bureaucrats and kept "at arm's length" from the administration, but it is also the most experienced politicians (i.e., those holding more stable attitudes) who more frequently interact with the administration. In this respect, these so-called "political 'veterans' thus function as a buffer for the bureaucratic influence into the rest of the political milieu" (Jacobsen, 2011: 637).

OUTLINE OF THE VOLUME

Following an introductory chapter by the editors sketching out the broader outlines and ways in which the volume is organised thematically, Morten Egeberg (Chapter 2) focuses on the importance of design-related features in the context of contemporary public policy and administration (PPA). Egeberg refers to the fact that, somewhat surprisingly, scholars across the field have largely focused on issues related to policy design, neglecting the important role played by design features at the meso-level of the organisation. He argues that an organisational design-focused approach to PPA is warranted, as the interesting effects being observed are related to classical political science-dependent variables such as the governance process and the content of public policy rather than societal and environmental (classic policy approach) effects, aspects that are located outside the political-administrative sphere. Having sketched out his argument regarding the relevancy of design in PPA – rather convincingly in our view – Egeberg concludes by stating that the two approaches are complementary and that while addressing practical problem-solving situations, "policy-makers certainly need knowledge on how particular policies might affect the society, economy or environment, but also on how such (desired) policies may actually materialise in a systematic manner."

Chapter 3, by Hanne Foss Hansen, takes stock of the existing literature on public sector leadership, exploring the conditions facing public leaders and the extent to which existing theories do help them cope with the complexities, ambiguities, and challenges they face on the job. She begins by pointing out

that the wide array of current theoretical approaches emanated from specific historical and national contexts that were influenced by different societal developments and challenges. Public sector leadership, she argues, is carried out in a political (and politicised) context characterised by multiple stakeholders or interest groups and a wide variety of strategic interests, values, and expectations. In recent times, leaders have faced several crises (e.g., the 2008 financial crisis, government reforms, and the COVID-19 pandemic), which have brought to the fore the importance of efficiency and effectiveness alongside stronger accountability requirements. Conventional leadership thinking, Hansen shows, subscribes to the notion that not only is the process controlled from the top but also that both followers and results emerge from organisational design (endogenous) features rather than any other emerging or exogenous variables. Hansen concludes the chapter by arguing that conventional, generic leadership theories have the potential to help leaders cope with specific issues they face but that context-specific theories are needed in the context of rising hybridity and that a mix of approaches will ensure that contextual, situational, and relational elements associated with leading in the public sector are adequately addressed.

In Chapter 4, Dag Olaf Torjesen, Tor Ivar Karlsen, Charlotte Kiland, and Morten Balle Hansen investigate public service motivation among local government administrative managers in Norway and Denmark. Using the analytical lens of Public Service Motivation (PSM), which pertains to "an individual's predisposition to respond to motives grounded primarily or uniquely in public institutions and organisations and that seem to be more prevalent in public government than in private sector organisations" (Perry & Wise, 1990: 368), the study builds on survey data (from 2016 and 2017) from three managerial levels, investigating the following: a) attraction to public policymaking, b) commitment to the public interest, and c) compassion. The findings show that Danish managers are more dependent on and woven into the political system, whereas Norwegian administrative managers rank higher in terms of commitment to the public interest and compassion. In both countries, managers at lower hierarchical levels were found to score higher in compassion. The study not only contributes to the scarce knowledge on the behaviour of local administrative elites from a PSM perspective, but also provides the basis for future research and time-series data on current changes facing local governments across the Nordics.

Charlotte Kiland and Zuzana Murdoch (Chapter 5) contend that although much academic attention has been devoted to leadership inside organisations, important insights can also be derived from investigating the leadership of organisations. In so doing, the main aim is to revisit Selznick's (1957) conception of the leader-statesman, a somewhat neglected aspect of contempo-

rary leadership studies. Building on documentary evidence and interviews with elite informants (2015–2016) involved with the Norwegian Public Roads Administration, the authors confirm their theoretical propositions derived from micro-institutionalism (agentic role of leaders as salient social agents) regarding three key leadership functions: a) the introduction and development of new mental models, b) the cultivation of external supporting mechanisms that foster legitimacy, and c) defense against organisational extinction or death. Among other aspects, their findings lend support to the notion that leaders exploit strategic inflection points as windows of opportunity to create institutional change by communicating new organisational visions through stories and myths. The study also shows that leaders reinforce the institutional continuity of newly developed practices by developing internal and external supporting mechanisms and by setting up defences against the deinstitutionalisation of new practices. Overall, the study contributes to the understanding of how leaders create and maintain institutions in a new and divergent field while also drawing important lessons in the context of multi-level and collaborative governance arrangements.

In Chapter 6, Lene Pedersen, Lotte Andersen, and Nanna Thomsen integrate insights from public administration and community psychology into the study of local political leadership while investigating the associations between five leadership indicators, PSM, and sense of community responsibility (SOC-R). Their study asks how PSM and SOC-R are associated with (present and potential future) formal positions among Danish local councillors and their behaviour. To address this question, they utilised a nationwide survey (2019) of local councillors based in the country's 98 municipalities. The data showed that PSM is positively associated with having a formal leadership position (mayor or committee chair), while SOC-R is associated with the intention to run for re-election, transformational leadership, and the use of verbal recognition. Neither PSM nor SOC-R was found to be associated with consensus building. These findings suggest that PSM and SOC-R are both relevant for local political leadership but that other factors (e.g., membership of the dominant coalition and perceived influence) should also be taken into consideration. The authors contend that future studies of political leadership should include different motivational factors, pay attention to the interaction between motivation and institutions, and focus on classical factors, such as perceived influence.

In Chapter 7, Anne Lise Fimreite and Yngve Flo study the County Governor as a multilevel actor who shapes Norwegian local government reforms. They describe how a Norwegian local government reform was coordinated across government levels from the initiative (Spring 2014) to when a recommendation on reforming the municipal structure was presented (Autumn 2016). The focus was

on the role of the 18 county governors in the process. Norwegian county governors are civil servants with strong positions as mediators and liaison officers between the central and local levels. Their roles are differentiated according to the particular needs and characteristics of their respective counties. During the reform process, the county governors were given a twofold designated role: a) guides for local processes that could lead to mergers between municipalities and b) nominators of which specific municipalities the parliament should decide to merge. No concrete mandate as to how this twofold role should be handled was given, and the county governors interpreted the role differently. Based on rich qualitative material, the chapter presents empirical evidence of their different interpretations. The authors conclude that the ambiguity in the mandate was a factor that made this multilevel reform possible – despite several historically based conditions and presumptions. Ambiguity thus became an important element in the meta-governance of this multilevel reform.

In Chapter 8, Alexander Berzel and Tanja Klenk examine meta-governance in the social investment state, with empirical lessons from Germany. Over the last two decades, the emergence of a new social policy paradigm – the social investment state – has been widely discussed. This paradigm shift in social policy is also interesting from a public administration perspective since the new paradigm is characterised by a strong interest in the operational dimension of welfare state policy. In this respect, local networks with cross-sector coordination are considered crucial to achieving social cohesion. The "rules of the game" for local networks, however, are often defined by higher state levels. Studying the vertical-horizontal intersection of social investment policy is particularly interesting for administrative systems that are characterised by a strong emphasis on vertical lines. Germany is a case in point. The authors examined 48 projects in 16 German states. Analytically, the chapter draws on the meta-governance approach and examines how higher state levels encourage and facilitate local networks. Benefiting from expert interviews and policy document analysis, the chapter shows that German state ministries make frequent use of meta-governance tools and the chapter argues this as being a sign of policy learning to overcome typical problems of network governance, such as weak links, structural holes, or illegitimacy. However, the data also reveal the limitations of the recent policy approach. So far, the meta-governance tools have not been used strategically. Critically reflecting on the role of meta-governance is thus the next step in making the social investment state sustainable.

Chapter 9, by Stefan Gänzle, seeks to understand the extent to which participants from non-EU countries have been integrated (external differentiation) into the (experimentalist) governance architecture defined by the EU's macro-regional strategies (EU MRSs). Europe's "macro-regions" cover a territory

spanning 19 EU member and nine partner states. By focusing on common policy challenges and problems in areas susceptible to functional cooperation, such as infrastructure development and environmental protection, the EU MRSs seek to mobilise a range of actors across various jurisdictions and scales. Using experimentalist external governance as an analytical lens and drawing on semi-structured interviews conducted in 2018–19, the chapter maps the scope of the involvement of partner countries and examines predominant external differentiation logics. The analysis shows that foreign policy logic has superseded a functionalist-driven technocratic networking approach between the EU and its neighbouring states. The chapter concludes with the assertion that the EU MRSs primarily function as test beds for strategy formation, in general, and forms of external differentiated integration, in particular, underpinned by trans-governmental relations.

In Chapter 10, Signy Irene Vabo examines the administrative impact of democratic innovations. She argues that politicians depend on their administrative capacity to plan and implement democratic innovations. Democratic innovations are government-initiated participatory processes that involve citizens and local officials in policymaking that concerns problems that affect them. Based on the literature on democratic innovations, public value and new public governance, this chapter shows how not only politicians but also administrators are assumed to want to seek out interaction and dialogue with citizens. However, if administrators' approaches to citizen interaction differ from and/or are in conflict with those of elected representatives, the influence exercised by the administration on public policy can pose a threat to representative democracy. The essay explores the following question: To what extent and under what circumstances are elected representatives and administrators presumed to have diverging or converging needs when it comes to interaction with citizens? Based on a systematic review of the literature, a framework is presented for analysing the potential for participatory innovations to support the role played by elected representatives. The analytical framework is based on a categorisation of various requirements for interaction, alongside considerations of who controls the participatory arenas in question. Empirical examples from Danish and Norwegian local governments demonstrate the use of the framework for analysing a specific democratic innovation.

Chapter 11, by Kristoffer Kolltveit, examines the role of communication advisers in public bureaucracies that occupy a domain between politics and administration. According to the Weberian ideal, civil servants should be employed based on merit and competence. Unlike politicians, civil servants should carry out their duties anonymously and without passion. Increasingly, over the last few decades, in response to the constant need to respond to the

media and be visible in the press, nonpartisan communications professionals have been employed in ministries across Western democracies. Although hired as civil servants, these actors often work to defend ministers and secure favourable press for both them and the ministry, which has raised concerns about the politicisation of the civil service. The chapter reviews the work of communication professionals in public bureaucracies. Drawing on electronic surveys of communication advisers, ministerial advisers, and civil servants, the chapter argues that communication advisers in Norwegian ministries are not quite civil servants, not quite politicians. Rather, they are a different type of civil servant that functions at the intersection of political leadership and line departments.

Chapter 12, by Christian Lo and Asbjørn Røisland, explores the interaction between political and administrative leadership in Danish and Norwegian local governments. While the two neighbouring countries share a similar governance tradition, which makes them suitable for comparison, there is one important difference regarding the interaction between political and administrative leadership: while Danish mayors are formal leaders of municipal administrations, Norwegian mayors are only leaders of the council. This chapter explores to what extent such formal differences impact the perceptions political and administrative leaders have about the everyday relationship between politics and administration. Empirically, the analysis draws on data from in-depth qualitative interviews with a set of top Danish and Norwegian municipal political and administrative leaders, all of whom have recently implemented institutional changes to their leadership. The chapter illustrates the relationship between political and administrative leadership.

In Chapter 13, Jacob Aars examines local governments' access to central-level decisions in Norway. The aim of this chapter is to discuss some of the channels available to the municipal sector that could grant them access to central government decision-making fora. How can municipalities influence national policy in ways that benefit local government? The chapter discusses several potential access channels: a) the local government interest group, Norwegian Association of Local and Regional Authorities (KS), b) political parties, c) the political career path (i.e., Members of Parliament with a background in local government), d) sector links between levels of government, and e) local/regional government represented by the County Governor. The chapter demonstrates that although municipalities have numerous potential access channels, they vary in terms of effectiveness. Aars concludes that the portrayal of municipalities as impotent victims of an over-eagerness by the state needs to be supplemented by studies that provide detailed analyses of how municipalities use their potential access channels.

Chapter 14, by Nils Arne Lindaas and Pål E. Martinussen, investigates whether the share of private kindergartens in Norwegian municipalities results from local political-ideological dynamics or more pragmatic economic considerations. In the last three decades, public sector reforms have typically promoted market competition and privatisation, often under the heading of New Public Management (NPM). This has, among other things, led to the contracting out of public services, particularly at the local level. Using longitudinal data from Norwegian municipalities (2001–2016) and panel data analysis using different estimation techniques (pooled OLS, between effects, fixed effects, and random effects), the findings show that pragmatic considerations outperform political and ideological considerations both across and within municipalities. Municipalities with higher incomes and larger populations were found, on average, to possess smaller shares of private kindergartens. That said, the fixed-effects models were found to have low explanatory power compared with other models, suggesting that changes within the municipalities explain less of the variance in the share of private kindergartens than do changes over time. Overall, the study adds new empirical evidence to a growing body of literature on the weak effects of the local political situation on local privatisation.

In Chapter 15, taking Stein Rokkan's claim that "geography matters to politics as to the formation of political institutions" as a point of departure, Jon P. Knudsen sheds light on governance dynamics and centre-periphery divisions throughout the Nordics. Across the region, geography has come to be identified with issues like nation-building, electoral behaviour, welfare distribution, demographic sparsity, and regional policies. The geographical steering system hinges on the coexistence of a strong state and strong municipalities, leaving little room for the (quasi) federal regionalism forms found elsewhere in Europe. A major finding is that governance actors at different levels seek to bypass each other, with the state seeking support among the municipalities, and regions seeking international fora (such as the EU) to legitimatise their cases. Recent attempts across the Nordic countries to institutionalise regional interests within the context of a second administrative tier have largely failed. Knudsen suggests the development of a novel governance model in the form of contained regionalism. This is underpinned by the notion that strong regional divisions within each of the Nordic countries have become co-opted into steering systems where the state has been sufficiently attentive to regional interests (in the form of national policy schemes) while counting on strong municipalities to take care of the finer-grained elements.

Chapter 16, by Carsten Greve, examines partnerships that seek change in local governments. The chapter examines the various ways that local governments enter into partnerships to advance organisational change agendas and

create new public value. Local governments have become more inclined to participate in partnerships in recent years. These partnerships could be with other local, regional, or central governments, as well as with organisations from the private sector. Such partnerships entail new requirements for local governments. For example, local governments need to give up some of their decision-making power to enter into partnership arrangements. The chapter provides empirical examples of partnerships in Denmark and ends with a discussion of strategies available to local government managers as they contemplate future partnerships to address issues such as climate change and the COVID-19 pandemic.

In Chapter 17, Åge Johnsen discusses strategies for change in municipal structural reforms. Using survey data from top and middle managers in six Norwegian municipalities, this chapter explores how two change management strategies, emphasising either the economic results of the change (strategy E) or the organisational process of change (strategy O), affect three dimensions of commitment to change in municipal reforms. Common theories of change management have predominantly been based on studies of private corporations in North America. These theories, therefore, may be unsuitable in a Nordic public sector context. The analysis indicates that the change management strategies were related to some dimensions of commitment to change but sometimes in unexpected ways. In particular, strategy O seemed to have a positive relationship with affective commitment to change but a negative relationship with continuance commitment to change. For strategy E, the relationships were reversed. Strategy O, with its emphasis on stakeholder participation, may complement pragmatism and Nordic work life and public management traditions better than strategy E. The findings also confirm that when the leadership perceives significant resistance to change, it uses a process-oriented more than a results-oriented change management strategy. The chapter contributes to the change management literature by providing empirical analyses of a common theory for change management and how strategies for change are used in politically contested reforms.

Chapter 18, by Tom Christensen and Per Lægreid, studies representative and responsible bureaucracy via a longitudinal dataset spanning 40 years of Norwegian central government. The chapter regards the demographic profile of civil servants in the Norwegian central government from 1976 to 2016. Based on theories of representative bureaucracy and responsible bureaucracy, the relationship between structural features and demographic features is surveyed. A main finding is that the civil service is not representative of the citizens and that this pattern is stable over time. The study reveals that the major factor for understanding bureaucrats' decisions, actions, and priorities is first and

foremost, their own position or organisational location. However, the data show that there has been a gender revolution and a large increase in the share of social scientists. Social background was found to have a weak effect on how bureaucrats work in practice. This contrasts with the importance of organisational factors. The study illustrates the challenges of representative bureaucracy in central government systems throughout Northern Europe, characterised by the salience of a professional merit-based system in the context of (still) rather homogeneous societies, as is the case in Norway.

Finally, in Chapter 19, Sanna Tuurnas, Tuula Jäppinen, and Elias Pekkola undertake an investigation of the role of institutional design in collaborative innovation processes in the context of Finnish public administration. Using a multiple case study approach, the authors examined five collaborative innovation processes based on the co-design method. Building on the growing literature on collaborative innovation, the analytical framework used in the study centres on the notion of the systemic adaptability of institutional design underpinning collaboration. The authors argue that the adaptability of institutional design, manifested in the form of rules, norms, procedures, and routines, has a great impact on the dynamics of collaborative innovation processes and their outcomes. More specifically, and as a way of identifying key patterns across the cases, the study examines four key elements: a) the aims of collaborative innovation programmes, b) the key stakeholders involved in the process, c) the scope of co-production, and d) the systemic adaptability of institutional design. The findings, mirrored in earlier studies, point out the relatively low level of involvement of politicians in collaborative processes. In addition, the study found that national policies and legal frameworks play a bidirectional role in supporting collaborative innovation. Legal frameworks were not found to act as key change drivers; however, national-level policies were identified as playing a critical role in steering the projects. Overall, the study emphasises the importance of systemic adaptability despite the fact that Finnish public organisations seem to be guided by systemic limitations, hindering the potential for collaborative innovation.

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PART II

THE NUTS AND BOLTS OF (LOCAL) GOVERNMENT

CHAPTER 2

Organisational design and the quest for practical relevance

Morten Egeberg

ABSTRACT

The relevance of political science in terms of practical problem-solving is an enduring topic. Within the sub-discipline "Public Policy and Administration" (PPA) an organisational design focus represents an obvious avenue in this direction. However, many PPA scholars seem more attracted by a policy design focus. This is a bit surprising since the dependent variables (the effects that are to be achieved through policy design/intervention) tend to be located outside the political-administrative sphere: they are typically about societal and environmental effects that are probably better studied by economists, sociologists, biologists etc. A focus on organisational design, on the other hand, may be more to the point in a PPA context since the interesting effects are then found among classical political science dependent variables (such as the governance process and the content of public policy). Although policy-makers certainly need knowledge about how public policies affect the society, economy and environment, they also, arguably, need knowledge on how the desired policies might actually materialize in a systematic manner. This chapter outlines an organisational design approach within a PPA context, and highlights in particular two topics to which Dag Ingvar Jacobsen has made important contributions.

Keywords: governance, horizontal structures, organisation culture, organisation demography, organisation design, organisation locus, organisation structure, physical structure, policy design.

Note: This chapter is a revised version of a "review article" ("Policy design or organisational design: On the relevance of the study of public policy and administration") published in Public Administration 2020; 98:801–804. https://doi.org/10.1111/padm.12671

INTRODUCTION

The relevance of political science in terms of practical problem-solving is an enduring topic. Arguably, within the sub-discipline "Public Policy and Administration" (PPA) an organisational design focus represents an obvious avenue in this direction. However, many PPA scholars seem more attracted by a policy design focus. This is a bit surprising since the dependent variables (the effects that are to be achieved through policy design/intervention) tend to be located *outside* the political-administrative sphere: they are typically about societal and environmental effects that are probably better studied by economists, sociologists, biologists etc. A focus on organisational design (conscious structuring,

staffing and locating of public administration), on the other hand, may be more to the point in a PPA context since the interesting effects then are found among classical political science dependent variables (such as the governance process and the content of public policy). Although policy-makers certainly need knowledge about how public policies affect society, economy and environment, they also, arguably, need knowledge on how desired policies might actually materialize in a systematic manner. This chapter particularly outlines an organisational design approach within a PPA context and presents two examples of how Dag Ingvar Jacobsen has contributed significantly to creating a knowledge base for organisational design.

TWO TYPES OF RELEVANCE

To some, scientific research is dedicated to knowledge per se and the human spirit of inquiry. Nevertheless, the theme of practical relevance is an enduring theme. This also holds for political science where "relevance" is occasionally placed explicitly on the research agenda (e.g., Holmberg and Rothstein, 2012; Stoker et al., 2015). However, arguably, relevance relates to providing both "pure knowledge" on polity, politics and policy *and* to providing instruments for practical problem solving in the political sphere. It could be wise to distinguish between the two; in my view, the relevance of the discipline is indisputable regarding the first concern. Since political order probably constitutes the most important societal component in our lives, it should be rather obvious that citizens in general need research-based knowledge about its organization, recruitment, decision-making and outputs. In particular, this holds for professions like politicians, public bureaucrats, political journalists, lobbyists and schoolteachers in social science. The second concern, however, whether the discipline provides the *tools* for practical problem solving, seems far more contested. To what extent is the discipline equipped to deal with trivial as well as serious challenges such as climate change, migration or pandemics (like Covid-19)? In the following, I discuss two approaches that aim at providing both such tools, namely a policy design focus and an organisational design focus. Both approaches mainly belong to the sub-discipline PPA. I argue, *inter alia,* that the dominance of a policy design focus is highly surprising since the dependent variables (effects to be achieved) in this case tend to be located *outside* the core area of PPA research.

THE POLICY DESIGN FOCUS

According to Capano and Howlett (2019), the "technical dimension" of policy design refers to the knowledge of the characteristics of policy tools and their impact on policy target populations. The "political dimension" refers to the institutional and partisan nature of the context in which policies are decided. Typical policy tools dealt with in the literature are legal (e.g., regulations), financial (e.g., grants) and informational tools (Hood, 1983; Howlett, 2011). Although one finds studies that explicitly investigate how policy design might affect governance, e.g., May's work on the relationship between policy design and policy implementation (May, 2012), most studies of policy tools focus on instruments that are used to intervene directly in the economy and society (Peters, 2018: 95). Moreover, the contributions by Rothstein and colleagues, in their effort to respond to the quest for relevance, mainly fall in this category. They show that a particular policy design, namely impartiality in law application, is associated with a diverse range of phenomena such as economic wealth, life expectancy at birth, access to safe water and people's happiness (Holmberg and Rothstein, 2012). Finally, the emerging field of Behavioural Public Administration most commonly seems to focus on how citizens respond to particular forms of policy design based on nudging (James et al., 2017).

It has been said that there is nothing as practical as good theory. In order to create a knowledge base for policy design, one therefore needs to establish a set of *general* relationships between design tool characteristics on the one hand and effect variables on the other. So far, the independent (tool) variables, as we have seen, tend to be more descriptive than theoretical. And the same is true for the dependent variables. Even more problematic, from a PPA perspective, could be that the dependent variables for the most part are located *outside* the political sphere, indicating that disciplines other than political science (like economics, sociology and biology) might be better equipped to study the relationships. Arguably, this holds with exception for the *political* consequences of public policy.

Most of the policy design literature has tended to ignore the institutions and organisations that deliver public programmes (Peters, 2018: 135). The exceptions are Hood (1983) and Howlett (2011). However, in the latter studies, organisational characteristics are descriptive (e.g., ministries, agencies) rather than theoretical. Moreover, they are not analysing the relationship between organisational design and particular policies (Peters, 2018, p. 135). A review of the literature on the effects of New Public Management (NPM) reforms and post-NPM reforms (considered as "organisational tools") concluded that the results were often ambiguous due to unspecified independent variables (Lægreid, 2018).

AN ORGANISATIONAL DESIGN FOCUS

Arguably, Gulick (1937) was among the first to launch some key elements of an organisational design focus within a PPA context that hypothesized theoretical relationships between organisational variables ("design tools") on the one hand and behavioural/policy consequences on the other. For example, he argued that public bureaucracies specialized according to purpose (sector) would lead to policy standardization across territorial units, while those arranged by territory (geography) would allow for policy variation between such units (Gulick, 1937). Since then, numerous empirical studies on possible associations between organisational variables and behavioural/policy variables have appeared, although not as many as one could have expected (for overviews of the literature, see Christensen and Lægreid, 2018; Egeberg and Trondal, 2018, 2020). One of these contributors is Dag Ingvar Jacobsen.

Jacobsen made an early and innovative study of the potential impact of an organisation's physical structure on its decision processes (Jacobsen, 1987). "Physical structure and location" is one of the key variables in an organisational design approach to public governance (see below). Based on original questionnaire data, he analysed whether moving ministerial (organisation) units physically in or out of the ministries' main buildings makes a difference to decision-making processes. Since research had already demonstrated that moving units *organisationally* (i.e., changing the organisational structure) within ministries makes such a difference, it was crucial to control for this factor. Thus, Jacobsen in his study included only those organisational units, which had been *physically* relocated, while staying organisationally untouched. He observed that the units that had moved into their respective ministries' main buildings significantly increased their contacts with other units in the ministry as well as its political leadership, while the opposite happened to units that had moved out. Moreover, he showed that more contact meant more influence in the policy process for the "home-coming" units. At the same time, ministerial steering and coordination were seen to have improved (Jacobsen, 1987, 2020).

One might ask whether more digital contacts and meetings make physical interaction among decision-makers superfluous, thus rendering Jacobsen's findings less relevant to-day. The argument has often been heard during the Covid-19 crisis. However, digital meetings are planned meetings. Unplanned encounters in corridors and around coffee machines presuppose physical proximity. Moreover, even (planned) physical meetings can be convened on short notice when physical distances are small.

Another important contribution by Jacobsen is his research on the impact of horizontal organisation structures on public governance (Jacobsen, 2015, 2017). More specifically, he investigated the extent to which regional councils, composed

of representatives of neighbouring municipalities, contribute to coordination and problem-solving across municipal borders. Alternatively, the handling of certain trans-border challenges could be organised at a higher level of government, or highly interdependent municipalities could be merged. Arguably, setting up horizontal coordination structures like regional councils often represents the least controversial organisational solution. But do such structures deliver? Jacobsen found that regional councils only moderately improve trans-border problem solving related to physical and social planning, for example. However, such arenas may be important for socializing and creating personal relations and trust across political and territorial borders. And the more administrative capacity assigned to the councils, the more trans-border problem solving seems to happen (Jacobsen, 2015). Current governance research often tends to consider public governance as collaborative, horizontal or interactive, for both descriptive and normative terms (for an overview, see Ansell and Torfing, 2016). Against this backdrop, studies like the one by Jacobsen's, which showed the *limits* of horizontal and flat structures are important indeed. Such findings may serve as an antidote to naivety among policy-makers that have to cope with wicked trans-border problems (like climate change or pandemics) at the national as well as the international level.

Although a considerable amount of research on the relationship between organisational variables and governance/behavioural variables has taken place, an explicitly formulated and comprehensive organisational design focus within a PPA context, which specifies dependent and independent variables, has been lacking so far (Lægreid, 2018; Hermus et al., 2020; van Buuren et al., 2020). However, Egeberg and Trondal (2018) aim at establishing such a framework. Below, I briefly outline this framework.

Organisational characteristics of the governmental apparatus, which in a PPA context is the executive branch, constitute the independent (tool) variables. First, "organisation structure" denotes a codified system of positions and their respective role expectations. A position makes up the micro-component of a structure. The actual decision behaviour (incl. preferences) of the person occupying the position is expected to significantly reflect the role expectations due to mechanisms like rewards, punishments, norms about appropriate behaviour and bounded rationality. Concerning the latter, Simon (1965) argued that a decision-maker's position largely determines what kind of information he or she looks for, becomes exposed to and/or is shielded from. Due to limited cognitive capacities, alternative information will seldom be available in practice. Second, "organisation demography" designates the composition of the personnel in terms of e.g., geographical and educational background, gender and former career, but also length of service in the current organisation. Third, "organisation locus" means the geographical location and physical arrangement of the organisation.

Characteristics of governance processes or policy outputs constitute the dependent variables. "Governance" is defined as the processes through which the steering of society happens (Ansell and Torfing, 2016), and encompasses agenda-setting, policy development, adopting laws, budgets and policy programmes, and implementation. It is not always clear where the governance process ends. Here, public governance is seen as an activity that takes place predominantly within political and administrative bodies, thus not within public organisations such as hospitals, schools or police stations. Others, however, see "street-level bureaucrats" as parts of the governance process (Lipsky, 1980). "Meta-governance" denotes governance that aims at structuring, staffing, or locating the governmental apparatus itself. A knowledge base for organisational design should therefore consist of: first, knowledge about how organisational factors might shape governance processes and the content of public policy, and second, knowledge about how such factors might facilitate organisational change itself (meta-governance). Although this knowledge base makes up the key tool kit, organisational designers should have additional knowledge about the political context within which public governance happens (Olsen, 2010). This means, *inter alia,* that problem definitions and goals should, as a rule, be anchored in the political leadership (since goals are often contested), and that organisational change depends on power and legitimacy to implement it. In addition, designers can exploit situations in which potential opponents have other important things to do, exploit external shocks as catalysts for change, and formulate reform proposals in accordance with institutional legacies or with current organisational fads and fashions (Olsen, 1997).

Following Simon (1969) there seems to be a widespread perception that there is a fundamental difference between retrospective science and prospective design. Whereas science is primarily about studying current (or past) practices, design is about creating future practices (Romme and Meijer, 2020, pp. 150–51). Thus, the literature distinguishes between e.g., basic and applied research, discipline and policy research, and descriptive and actionable knowledge (Argyris, 2005). Egeberg and Trondal (2018) argue, however, that (organisational) design thinking should primarily build on knowledge about causal relationships between organisational variables (design tools) on the one hand, and characteristics of governance processes or policy outputs on the other (although a creative component could be part of it too). Thus, actionable knowledge is not seen as qualitatively different from descriptive knowledge. Design thinking happens when an actor, given his or her goals, wants to change the characteristics of governance processes or policy outputs by manipulating organisational variables. Concomitantly, designing presupposes evidence about causal relationships in order to be able to predict (to a certain extent) the effects of alternative organisational designs.

In order to build theory and generalisable (and thus actionable) knowledge, variables should be both abstract and generic (Egeberg and Trondal, 2018). Organisation structures are, for example, described as specialized according to purpose, function or geography, as hierarchical or collegial, or as primary or secondary. Similarly, the dependent variables should be relatively abstract in character. Thus, a particular problem waiting for a solution has to be subsumed under a general category. For example, a concrete coordination problem between two units has to be classified as related to, e.g., vertical or horizontal, inter-organisational or intra-organisational coordination.

The organisational (tool) variables selected reflect a concern for focusing on variables that are more amenable to conscious choice than others. Thus, this is one reason for not including organisation culture, for example, as a design variable. A deliberate selection of organisational (tool) variables implies, by necessity, that the model becomes a highly partial one; it does not at all aim at providing full explanations for variations in the dependent variables. Rather, the idea is that if the selected organisational factors have been shown (in studies) to make a significant difference, this is good enough from an organisational design perspective.

CONCLUSION

Arguably, organisational characteristics of the governmental apparatus cannot, as a rule, be expected to affect the society, economy, or environment directly, but only indirectly via public policies. Does the focus on effect variables *inside* the political-administrative sphere make an organisational design approach less useful and relevant than the policy design approach? Egeberg and Trondal (2018) argue that the two approaches complement each other: in practical problem-solving situations, policy-makers certainly need knowledge on how particular policies might affect the society, economy or environment, but *also* on how such (desired) policies might actually materialize in a systematic manner. For example, when economists or natural scientists design policies in order to cope with climate change, political scientists should be able to contribute by pinpointing how such trans-border and multilevel policy making could be organised in order to achieve the desired policies. Moreover, people who run governments, i.e., bureaucrats and executive politicians, are routinely involved in structuring, staffing, and locating public administration. Thus, the need for evidence-based knowledge on their effects on governance and policies seems obvious.

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CHAPTER 3

Public sector leadership: Conditions, challenges and avenues

Hanne Foss Hansen

ABSTRACT

The discussion in this chapter addresses the conditions in which public sector leadership is enacted: The political context, the high pace of change and the conflicting goals and values. Complexity, changeability and ambiguity are important challenges for public sector leaders. On this background, conventional and alternative generic leadership theories are explored, that ask: might these theories help public leaders; further specific public sector leadership theories are explored that question: what these might offer public leaders. The conclusion is that conventional generic leadership theories, for instance transformational leadership, may help public leaders to motivate employees, whereas alternative generic leadership theories such as situational leadership, translation leadership and chaos leadership may help public leaders to handle emerging agendas and new organisational ideas as well as support innovation. Public leaders, however, also need specific public sector leadership theories in order to cope with the hybridity of public organisations. Only through a manifold of leadership theories can the demand about including both contextual, situational and relational elements to good public leadership be ensured.

Keywords: Public sector characteristics, transactional leadership, transformational leadership, situational leadership, translational leadership, chaos leadership, public sector leadership.

INTRODUCTION

"Life is hardly a result of a planned change process" is the first line in the preface of Dag Ingvar Jacobsen's important book on organisational change, change management and leadership (Jacobsen, 2004:5). Likewise, only in exceptional cases is public sector organisational development a result of rational and instrumentally planned leadership processes. The reality is that public sector leadership is carried out in a manifold, changeable world characterized by ambiguity. Public sector leadership takes place in a political context in relationships with many actors. Public sector leadership concerns both organisational fields, organisations, groups and individuals. In a context like this, there are great demands on leadership. A public sector leader has to master and be able to handle a variety of types and styles of leadership.

This chapter aims, in the spirit of Dag Ingvar Jacobsen's important contributions to our knowledge on management and leadership, to present and discuss the variety of leadership theories that can help public sector leaders handle different contexts and situations. The discussion draws on both generic

leadership theories, presenting these as relevant for both public and private organisations, and public sector leadership theories developed to offer guidance in the handling of dilemmas in and around public organisations.

In the chapter, the theoretical manifold of leadership theories is used to answer the following research questions: 1) What are the conditions for public sector leadership? 2) To what extent may conventional as well as alternative generic leadership theories help public sector leaders? 3) What may a specific public sector leadership theory offer? The focus is on the Danish societal context, but the discussion is also relevant for comparable countries such as the other Nordic welfare states.

The structure of the chapter is as follows. The first section provides a description of the characteristics as well as the values of the political and organisational context in which public sector leadership is performed. The second section presents conventional, generic leadership theories in the form of classical leadership theory as well as transaction and transformational leadership theories, and discusses what these theories offer in a public sector context. The third section presents alternative generic leadership theories in the form of everyday leadership, distributed leadership, situational leadership, translational leadership and chaos leadership, and it is likewise discussed what these theories may offer in a public sector context. The fourth section focuses on the content of a specific public sector leadership theory, and the last section presents the conclusion and a discussion of the path ahead.

The leadership theories emerged in different historical and national settings and their content was influenced by different societal developments and challenges. Even though these dynamics are interesting to explore, they are not discussed here, neither does the discussion relate to public sector reform trends such as e.g. New Public Management (NPM) and New Public Governance. These concepts do address leadership and as such could have been relevant. However, they are not included here since they were assessed to be of less use to public sector leaders due to their complex and unclear content.

CONDITIONS FOR PUBLIC SECTOR LEADERSHIP: SAILING IN A PERILOUS OCEAN

Public sector leadership is carried out in a *political context*. The Danish democracy is manifold both externally in the international context and internally at the national, regional and local levels. At the national level, the political colour may shift in the wake of an election, but many policies are decided on across party lines. Even though regions and municipalities formally have autonomy, many policies are decided in negotiations between the three levels. The yearly

budget negotiations between the government and the respective regions and municipalities are particularly important. These negotiations lay down the economic conditions but in recent years have also established important policies and reforms. To gain legitimacy, politicians and public organisations have to be societally responsive.

There are many voices in society and many *interests*. There are great expectations for problem-solving. The many interested parties, politicians, citizens, users, companies and interest organisations, make demands. The media are almost always eager to talk about the causes of the various groups, particularly in situations where scandals are revealed.

For a long time, steady *change* has been a condition and the pace of change is rapid. Reforms are on-going. A new reform is often decided upon before the previous one has been implemented. School reforms, the inclusion of children with special needs in mainstream teaching, rehabilitation into elderly care and the introduction of super hospitals are only a few examples (Greve & Pedersen, 2017). Crises come and go. The financial crisis in 2008 and the succeeding economic crisis institutionalised a perpetual pressure to increase both efficiency and effectiveness, and a new budgetary law decided upon in 2012 introduced a request about strict economic responsibility within the fiscal year (Ghin, 2018; Hansen & Kristiansen, 2018). This context re-vitalised former public sector dynamics related to "irresponsible responsibility" such as planning with stop-go activities, working with buffers in the budgets and, in some cases, the unnecessary use of resources at the end of the fiscal year (Hansen & Kristiansen, 2017). Since 2020, this strict economic regime has been on standby, while the Covid19 crisis makes demands on public organisations' ability to rearrange activities. Behind the scenes, the climate crisis is waiting to be solved. Public sector leaders constantly have to be aware of changing agendas as well as being able to influence and adapt to these.

The political and changeable context means that goals in the public sector are conflicting, ambiguous and unstable. Goals, tasks and activities are value-laden as they relate to welfare, social development, health, knowledge development, security, climate and infrastructure. Some are even wicked problems, e.g., unemployment, psychic vulnerability and criminality (Busch, 2012). The aim is public value creation through public goods; but at the same time, the tasks and activities are specific. Teaching activities are directed towards pupils and students, health activities towards patients, food safety inspection towards shops, restaurants etc. In this way, public organisations produce both common goods directed at the public-at-large and user-oriented services directed at individual citizens (Blau & Scott, 1963; Antonsen & Jørgensen, 1992). Public sector leaders are expected to recognise both dimensions.

The public sector is diverse when it comes to organising and managing. The typology concerning state models conceptualises this heterogeneous profile (Antonsen & Jørgensen, 1992; Grøn & Hansen, 2014). The typology differentiates between the hierarchical, the professional, the responsive and the negotiating state. In the hierarchical state, the public organisations are neutral implementors of political decisions and in the professional state, autonomous agents of professional skills. In the responsive state, public organisations are directed towards the users by either listening to user expectations, acting as businesses corporations or co-producing with citizens. Finally, in the negotiating state, public organisations are mediators; they mediate interests, negotiate, develop networks and create compromises.

The state models are developed as ideal types. They are not found in an absolute form in real-life organisations. Most public organisations possess characteristics from several models; these are called hybrids (Denis, Ferlie & Gestel, 2015). However, the touch of the individual model varies like the balances between models across sectors and time. The hierarchical state, for example, is very distinct in the employment area where the job centres in local government are strongly controlled by rules. The professional state is very distinct in the educational area, in the cultural area and the law-court area. The responsive state is distinct within public transport as well as within childcare and elderly care, and the negotiating state is distinct within the factory inspection authorities. In the hospital area at the regional level, both the hierarchical, the professional and the responsive state models are distinct. The hierarchical state is manifest, for example, in treatment guarantees, the professional state in research activities as well as treatment decisions and the responsive state in the concept of patient-centred treatment. When several state models are at stake in an organisation, an organisational field conflict may occur, and dilemmas have to be handled. The theory of the state models does not contain an explicit leadership theory, but a leadership theory could be developed. In the section about public sector leadership, I will return to this. Here, a preliminary conclusion is that public leaders should have an eye on which types of state models are at stake and how they balance with their individual context. Likewise, they should keep an eye on how balances are changed across time, for example, due to reforms.

Public organisations are governed by *rules* in the form of legislation and government orders. In that sense, the hierarchical state is an element in all public organisations. Rules may be strong and detailed and make demands on both activities and processes as is the case in the employment area, for example. But rules may also be soft, laying down a framework for activities, for example, the case in the cultural area. For a number of years, public organisa-

tions have, to a great extent, been confronted with demands of implementing *result and evaluation-based forms of control* (Hansen, 2016; Kristiansen, 2019). Result-based control systems have been developed in both hierarchical relations between principals and agents and in more systemic forms, e.g., as benchmarking or accreditation systems covering organisational fields such as hospitals, the universities or the job centres in local government (Hansen, 2013b). To an increasing extent, public organisations are expected to document accountability on a variety of dimensions for a multiple set of actors. Evaluation-based forms of control are not always experienced as meaningful and helpful in the front line (Hansen et al., 2019). In some situations, public leaders experience that the possibilities of undertaking leadership responsibilities are reduced by demands from top leaders or from the external environment. This may be demotivating. Leadership directed upwards may be a solution but also a risky way out, since this may be experienced as unreasonable criticism.

Analyses of the values of public leaders in Denmark have shown that their universe contains both common public values and context-specific values. An analysis focusing on values in core production showed that the most important values were: innovation and renewal, autonomous professional values, responsibility towards society, public oversee and the rule of law (Jørgensen & Vrangbæk, 2013). In addition, context differences were revealed. The rule of law, as well as productivity, were more important at administrative levels than at the institutional levels responsible for core production. Likewise, user orientation, user democracy, and public oversee were more important at local government institutions than in central government.

There are no comparable, more recent analyses. But probably some changes have occurred. First of all, it may be expected that the rights-based regulations, which have been introduced in several welfare fields, have also sharpened the value of the rule of law at the core production level. Treatment guarantees in the health area is one example; the rules about the handling of information in local government about potential problems in relation to children is another. Secondly, as mentioned above, the request for strict economic responsibility within the fiscal year has probably sharpened the focus on budget compliance and productivity.

The public sector characteristics of complexity, changeability and ambiguity challenge public leaders. A context like this needs to be handled, but at the same time it presents possibilities. Public sector leadership is comparable to sailing on a perilous ocean. But remember, real sailors love challenging weather conditions. The following sections contain discussions on the management possibilities offered to public leaders in the manifold leadership literature. The point of departure is conventional generic leadership theories. Subsequently,

alternative generic leadership theories are discussed, and finally, specific public sector leadership theories. The repertoire is rich.

CONVENTIONAL, GENERIC LEADERSHIP THEORIES

The literature on leadership is manifold. Across time, various generic leadership theories presenting themselves as relevant to both public and private organisations have been developed. In *classical organisation theory*, for example "scientific management" (Taylor, 1911) leadership is an instrumental, rational process. Leadership concerns how to design organisations appropriately and how to develop effective procedures and processes. Leaders have clear goals, knowledge about alternative means and the effects of implementing these, as well as the competencies and influence encourage employees to implement leadership decisions in a loyal manner.

In more modern conventional leadership theory (Burns, 1978; Bass, 1985), a distinction was made between transactional and transformational leadership. *Transactional leadership* is based on a type of contract between leaders and employees. The core of the theory concerns how to make sure that employees have an interest in contributing to goal attainment. This can be obtained through the systematic use of conditional rewards, monitoring and sanctioning. Rewards that are determined by the efforts and results from employees may be pecuniary or non-pecuniary, e.g., in the form of positive verbal response. Monitoring is linked to sanctions for deviations. Leadership response is activated if efforts and results do not meet what has been agreed upon; these may take the form of critique or reductions in expected incentive earnings or wage increases.

Transformational leadership, on the other side, is a process where leaders and employees foster better performance in each other. The leader seeks to make employees responsible for organisational goals with the aim that their behaviour has to be driven by these. Four ways of conducting leadership are important according to the theory (Bass & Avolio, 1993; Jacobsen, 2017): 1) idealized influence, 2) inspirational motivation, 3) intellectual stimulation and 4) individual care. Leaders are described as persons with a strong and respected charisma. Leaders formulate visions and motivate employees to follow these. Leaders invite innovation and ensure that a good work environment is stimulated, which supports individual employees. The confidence of employees and their loyalty and respect towards the leaders are developed through these processes. Transformational leadership is related to value-based leadership, and leaders facilitate the development of organisational culture.

The different perspectives within conventional leadership thinking all subscribe to the world picture that leadership is a process controlled from the top,

and through the formulation of vision, mission and strategy as well as through organisational design creates followers and results. A metaphor may be the mother duck which crosses the street followed by her ducklings.

In Denmark, a large-scale leadership commission (*Ledelseskommissionen)* working from 2017 to 2018 with analysis and development advice on public leadership, was highly inspired by conventional leadership theory. This is evident in the advice of the commission, especially in the recommendations that "leaders have to set the direction" and "leaders have to set the team" (Ledelseskommission, 2018, p. 7).

Conventional leadership theory has several blind spots. It is a manifestation of myths that do not reflect reality, certainly not the reality in the public sector as it was presented in the prior section. Conventional leadership theory has its focus on individual organisations and especially the relations between leadership and employees. Conventional leadership theory has no explicit comprehension of the organisational environment. It is a closed systems perspective, to use the terminology developed by Scott (1991). This means that there is no conceptualization of processes going on in the relationship between the organisation and the environment, neither in relation to how the organisation adapt to demands and ideas in the environment nor to environmental leadership understood as leadership directed towards e.g. the top management, the political leadership, the citizens, interest organisations, media etc. Conventional leadership theory thus has severe limitations in a public sector context where ambiguity, goal conflicts and political activity steadily challenge instrumental rationality.

Add to this that widespread use of especially transactional leadership risks the promotion of a non-constructive view of organisations and humans. We are all, of course, able to point out situations where actors have conducted themselves in very selfish ways. But if political and organisational leadership practice is anchored in the view that organisations and humans always act in a selfish manner, this kind of behaviour will probably be promoted further.

Even though conventional leadership theory has its blind spots, transformational leadership theory in particular may be useful for public leaders. Transactional leadership, on the contrary, should be administered with caution because it may promote selfishness and risk crowding out intrinsic and public service motivation (Le Grand, 2010). And most importantly, conventional leadership theory cannot be the only approach in the public sector leaders' toolbox. Public sector leaders need more perspectives on leadership. In the following section, alternatives are discussed.

ALTERNATIVE, GENERIC LEADERSHIP THEORIES

The literature on leadership also offers several theories, which in different ways are alternatives to the conventional theories. These are discussed below.

First, there is the theory about *everyday leadership* (Mintzberg, 2010). Leadership is here seen as a combination of craft, art and a bit of science. This theory is an alternative to conventional theory since it agrees with the myths on which conventional theory is built. According to Mintzberg, it is a myth that leaders are reflective, plan in systematic ways, are dependent upon compiled information and uphold tight control. Furthermore, it is a myth that leadership is mostly about hierarchical relations between a superior and some subordinates. The reality is that leaders work at a hectic pace in fragmented action-oriented processes. Moreover, leaders prefer informal types of communication, and lateral relations among colleagues and employees are just as important as hierarchical relations. Also, control is more subtle than it is open. All in all, what characterizes leadership practice is "calculated chaos" and "controlled disorder" (Mintzberg, 2010, p. 70).

Second, there is the theory about *distributed leadership*. This theory is an alternative to conventional theory because it expands the definition of leaders to include persons other than formal leaders. The core is the idea that a division of leadership tasks between several actors, including actors without a formal leadership position, may contribute positively to performance. Distributed leadership occurs through both delegation of leadership tasks from formal leaders to employees and when employees on their own initiative take on leadership tasks (Bolden, 2011; Jakobsen, Kjeldsen & Pallesen, 2016).

Third, there are theories about *situational leadership*. This group of theories is an alternative to conventional theory since they develop typologies of leadership styles and reflections about the situations in which each style should be used. For example, one typology distinguishes six leadership styles: the authoritative, the visionary, the affiliative, the democratic, the pacesetting, and the coaching style (Goleman, 2000). Leaders who follow the authoritative style give orders and expect obedience. "Do what I say" is the mantra. This style of leadership is useful in situations of crises. Leaders who follow the visionary style show the way ahead by creating direction and mobilizing. "Come with me", is the mantra. This style of leadership is useful in situations demanding radical change and/or a clear direction. Leaders who follow the affiliative style create relations, harmony and emotional ties. "Humans first", is the mantra. This style of leadership is useful in situations where there is a need for healing conflicts as well as in stress situations where there is a need to motivate. Leaders who follow the democratic style create binding consensus through involvement. "What is your opinion?", is the mantra. This style of leadership is useful in situations

where there is a need to build consensus and get input from valuable employees. Leaders who follow the pacesetting style set ambitious goals, go ahead with a good example and render visible the parts of the organisation that create good results. "Do as I do", is the mantra. This style of leadership is useful in situations where there is a need to create results quickly and where employees are highly motivated and competent. Leaders who follow the coaching style develop human potential through advice and encouragement. "Try this", is the mantra. This style of leadership is useful in situations where there is a need to help employees to improve performance.

According to Goleman (2000) the visionary, the affiliative, the democratic, and the coaching leadership styles are effective styles with a positive influence on the working climate. These styles build on awareness about other people's feelings and therefore, are able to move them in a positive direction. The authoritative and the pacesetting styles, on the contrary, have a negative influence on the working climate. They have an in-built risk to create stress, reduce motivation and reduce flexibility. According to Goleman, these leadership styles should, therefore, be administered with caution. In a Danish context, where many public sector organisations are confronted with reform demands and resource scarcity, it seems unrealistic that public sector leaders should be able to treat the pacesetting style with caution. In many situations, the use of this leadership style seems to be a condition.

Fourth, there is the theory about *translation leadership*. This theory is an alternative to conventional theory in two ways. The translation theory focuses on the relations between organisations and their environments and it expands its viewpoint to include persons other than the formal leaders. The core of the theory is that recipes for how to solve problems, manage, organise and also conduct leadership infect like a virus and travel across the country, sectors and organisational borders (Røvik, 2011). When a procedure is put on the agenda in an organisation, whether it happens by force through the law, by advice from an inspection authority or consultants or on its own initiative, it has to be handled through translation (Røvik, 2016). Depending on the extent of the manoeuvre, the procedure may be copied, translated into a locally adapted variant or rejected. If translated into a local variant, this may become transmuted through adding or withdrawing elements from the original idea or through radical alteration. A professional translator needs to have a variety of competencies, including knowledge about the context from which the idea travelled, the content of the idea as well the context into which the idea has to be implemented. Further, the professional translator needs to possess courage, creativity, patience and strength.

Fifth, there is the theory about *chaos leadership* (Grøn, Hansen & Kristiansen, 2014). This theory is an alternative to conventional theory since it fundamentally departs from the idea that rational action is possible for leaders as well as organisations. Due to the fact that processes of change are characterized by emergence and non-linearity, organisations and leaders are confronted with ambiguity and complexity. This has to be handled politically as well as organisationally. Leadership is not about being in front as in conventional theory. Leadership is about being in between to extemporize and create platforms where possible actions can be discussed and where it is possible to create legitimacy for the need for changes (Stacey 2012). In other words, leadership is about showing patience and the will to accept complexity until trustworthy solutions emerge, but also to show courage and strength – in situations where it is not obvious which is the best solution. In addition, leadership is about being at the rear, not getting in the way of development but instead giving room for the playful strategy of the technology of foolishness (March, 1995: Chapter 4). Following the technology of foolishness paves the way for experimentation, acting unintelligently, irrationally and foolishly. Thereby current rules and routines can be cancelled, and organisational learning supported. Doubt has to be a partner, not a taboo in the world of leadership. Leaders should not be held accountable for results but instead for what they learn by experience as well as for what they allow others to learn (Kreiner, 2013).

On the basis of the above, an expanded situational leadership style typology can be developed. This typology was inspired by Goleman (2000) but goes beyond his ideas. First, in a Danish context, the democratic style may be advantageously reformulated to a negotiating and consensus-seeking leadership style. The mantra could be "How do we handle dilemmas together?" Second, three additional leadership styles are presented. They may be termed the shielding (Gjelstrup, personal communications), the translating and the extemporizing leadership style. Leaders following the shielding leadership style protect the organisation and employees from non-meaningful strategies from the outside. "Do not be distracted" could be the mantra. The shielding leadership style may be useful in situations in need of peace and quiet. Leaders following the translation leadership style adapt procedures to the organisational context, thereby implementing them in a meaningful manner. "We'll do it our own way" could be the mantra. The translation leadership style may be useful in situations in need of creating local ownership to demands from the outside. Leaders following the extemporizing leadership style create platforms for experiments and change. "Let's try this", could be the mantra. The extemporizing leadership style may be useful in situations where ambiguity calls for learning by a trial and error approach.

The alternatives to conventional leadership theory, especially situational leadership theory, translation theory and chaos leadership, are useful for public sector leaders. The alternative theories, to a larger extent than the conventional theories, offer help in handling challenges in a public sector context characterized by manifold changeability and ambiguity. The combination of conventional and alternative leadership theories is, however, not enough to address the challenges faced by public sector leaders. Public sector leaders are in need of more perspectives. Leadership theories are presented below that explicitly address the characteristics of public organisations.

PUBLIC SECTOR LEADERSHIP THEORIES

Leadership has been a classical topic for discussion in the fields of political science and public administration. The division of labour between politicians and bureaucrats and the roles enacted by them has especially been a key question. However, since the 1980s the possible conflict between bureaucratic and political autonomy versus openness towards citizens has also been highlighted. Following these traditions, and based on a survey to agency heads in Norwegian municipalities, Dag Ingvar Jacobsen developed in 1996 a distinction between four municipal leadership roles placed along two dimensions. The classic administrator was characterized by political loyalty but negative towards citizen participation; the autonomous bureaucrat was likewise negative towards citizen participation but self-governing; the political bureaucrat was autonomous but positive towards citizen participation, and the linking pin was politically loyal and positive towards citizen participation (Jacobsen, 1996). Since then, other Nordic researchers have contributed to the endeavour of developing a public sector leadership theory.

Having followed these discussions, my conclusion is that a theory on public sector leadership should include both a contextual, a situational and a relational element. Below, this viewpoint will be elaborated.

Leadership is always carried out in a *context*. As stated above, the contexts in which public sector organisations work are varied. If we take it seriously that good public sector leadership is contextually conscious, we have to develop a public sector leadership theory that can help match the characteristics of a concrete context with appropriate leadership styles (see also Gjelstrup, 2017 for a corresponding argumentation).

In continuation of the state models presented in Section two, it is possible to develop a public sector leadership theory. In the hierarchical state, where public organisations are neutral implementors of political decisions, leadership is carried out from the top and focused mainly on securing that decisions and

rules are implemented in a loyal manner and complied with at the lower levels. In the professional state, where public organisations are autonomous agents of professional expertise, leadership is mainly about supporting and developing professional skills. In the responsive state, where public organisations are attentive to their users and act as corporations and/or co-produce with citizens, leadership is mainly about supporting and developing responsiveness. In the negotiating state, where public organisations are mediators that balance external interests, negotiate and create compromises, leadership is mainly about facilitating dialogue and negotiation processes.

Pedersen (2017: 290), who works with institutional logics and leadership in public welfare organisations, has developed a set of leadership styles. The leadership style in the bureaucratic state logic is the "loyal public servant" and the leadership style in the professional state logic the "appreciating and supporting leader". As a parallel to the responsive state, Pedersen distinguishes between the market and corporation logic on one side where the leadership style is the "businessman" and on the other side the logic of the local community where the leadership style is the "networker".

The theories on state models and institutional logic both build upon the idea of hybrid organisations (Denis, Ferlie & Gestel, 2015). Typical, there are multiple state models and institutional rationalities at play in a concrete organisation. For Pedersen, this means that public sector leaders have "to pack" and "to repack" leadership styles. Furthermore, a meta-leadership style: "the style packer", becomes important.

Another related contribution to a public sector leadership theory has been developed by Klausen (2020) in his version of a theory on hybrid leadership. A hybrid leader is a professional (e.g., a teacher, nurse or doctor) who has acquired more general knowledge about how to organise and execute leadership as an add-on to professional knowledge. But hybrid leadership is not only about leadership education; leader identity is important as well. A public sector leader acknowledged for a high degree of specialized professional knowledge, with well-developed leadership skills as well as leader identity, is a real hybrid leader.

According to the theory (Klausen, 2020), hybrid leaders are more successful than generalist leaders in professional organisations. First, they understand the professional logic. Second, they have legitimacy due to the acknowledgement of their professional skills. On the contrary, it may be difficult for a generalist leader to build legitimacy in a professional organisation. Hybrid leadership is important in the public sector because very many public organisations have characteristics from the professional state model. Further, hybrid leaders have advantages as bridge-builders across central and decentral levels as well as across political, hierarchical and user logic on the one side and professional logic and

culture on the other. Hybrid leaders are able to read and interpret the agendas and to act in the different rationalities dominating different levels and actors. An interesting analysis of these dynamics comparing leaders in Norwegian universities and hospitals is found in Berg & Pinheiro (2016).

Further, a theory about public sector leadership should include a *situational* perspective. A crises situation calls for another leadership style than what ordinary operations requires. And the implementation of a politically-decided radical reform calls for another leadership style than the implementation of self-initiated innovation. Here Goleman's (2000) leadership styles, as presented above, are helpful. Goleman's perspective is, as mentioned, generic and focused solely on internal relations between leaders and employees. A public sector leadership theory should include a view of the importance of external leadership. In these Covid-19 health pandemic times, it has become very visible how the handling of a wicked societal problem calls for coordinating leadership across a range of public sector organisations vertically and horizontally as well as across the borders of the public and private sector.

Finally, a theory about public sector leadership should include a *relational dialogical* perspective. A well-developed social intelligence is a precondition for a leader to be able to read the environment and, on this basis, handle group-wise and individual relations in the interactions with employees, citizens, politicians and other groups. Relational building is a precondition for leadership legitimacy, but it is demanding and easily eroded. Once more, generic theory (e.g., transformational leadership and Goleman) is helpful, but again these theories need an add on in relation to the external environment. Well-developed external relations may support the diffusion of ideas and experiences, in Røvik's (2011) perspective, the travelling of the virus. By this, public sector leaders may be inspired to do constructive translational work.

CONCLUSION

In this chapter, it has been shown how Dag Ingvar Jacobsen has contributed to both conceptualisation of and empirical knowledge on leadership in general, as well as to knowledge on leadership in the public sector, especially in local government. In addition, it has been argued that there is still a need to further develop an explicit theory on public sector leadership. This has been done by discussing the conditions for public sector leadership and from there to go on discussing whether conventional generic leadership theories and alternative generic leadership theories may be helpful for public sector leaders. Table 3.1 sums up the characteristics of the leadership theories discussed.

TABLE 3.1: Overall picture of leadership theories discussed.

Overall types of leadership theories	Specific leadership theories	Key content and focus points
Conventional, generic leadership theories	• Leadership classic • Transactional leadership	• Organisational design, process efficiency • Contracts, conditional rewards, monitoring, sanctioning
	• Transformational leadership	• Responsibility towards organisational goals, motivation, stimulant, care
Alternative, generic leadership theories	• Everyday leadership • Distributed leadership • Situational leadership • Translation leadership • Chaos leadership	• Fragmentation, controlled disorder • Delegation • Context chosen leadership roles • Adaption of solutions to local environments • Extemporizing, playing, giving room for creativity
Public sector leadership theories	• State models and institutional logics • Hybrid leadership	• Handling of multiple, public sector leadership styles • Combining professional expertise with leadership competence and identity

In the public sector, leadership complexity, changeability and ambiguity are important challenges. These challenges are grounded in the political context, the many actors and interests, conflicting, ambiguous and unstable goals and a high reform speed. Conventional generic leadership theory, primarily transformational leadership theory, may help public sector leaders to motivate and support the development of employees. Alternative generic leadership theories, especially situational leadership, translation leadership and chaos leadership, may also help public sector leaders in their support of employees. In addition, these theories may be helpful when new organisational ideas have to be handled as well as in relation to creating innovation and try out experiments in order to cope with complexity and ambiguity.

However, there is also a need for a specific public sector leadership theory that can help in coping with conflicts and dilemmas stemming from the hybridity of public organisations. Here the state models, institutional logics and the enclosed leadership styles are fruitful frameworks, and the same goes for the theory of hybrid leadership. Only through such a manifold of leadership theories

can the demand to good public sector leadership about including contextual, situational and relational elements be ensured.

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CHAPTER 4

Public service motivation among Danish and Norwegian local government administrative managers

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ABSTRACT

Public Service Motivation (PSM) refers to a type of unique motivation to perform behaviour that typically relates to the public sector, such as doing good for others and society and improving the provision of public services. In this chapter, we compare two Scandinavian cases of public service motivation within an administrative local government context: Denmark and Norway. The study is built on survey data collected among municipal administrative managers from three managerial levels in Denmark and Norway. By contrasting and comparing PSM profiles among Danish and Norwegian administrative local government managers, we analyse which factors can explain the similarities and differences in PSM among these administrative elites. We show that Danish managers are more dependent on and woven into the political system, and thereby more attracted to policy making, whereas their Norwegian counterparts score higher on commitment to public interest and compassion. In both countries, managers at lower hierarchical levels closer to the production and provision of public services are inclined towards higher scores on compassion. Our findings contribute to the scarce knowledge on the behaviour of local administrative elites from a PSM perspective. Furthermore, these provide the basis for further research and time-series data to explore PSM in relation to the more current changes in local government.

Keywords: public service motivation, public administration, local government, administrative elites, Scandinavia.

INTRODUCTION

The idea that public officials are driven by a special motivation to serve the whole society for the common good and set aside personal interest is an old idea that can be traced back to the classical Greek philosophers. In modern times, Max Weber (1978) has addressed the phenomenon in his studies of bureaucracy (Horton 2008, Jacobsen 2017). Later, the idea has been conceptualized – known as Public Service Motivation (Perry & Wise 1990, O'Toole, 2006). The concept of Public Service Motivation (PSM) originates from the knowledge that unique motives for serving in public administration differ from motives in the private sector (Perry, Hondeghem & Wise, 2010). Knowledge about PSM is important to improve our understanding of what attracts individuals to work in the public sector and what motivates them to serve others, do good for society and advance public interests, and how the motivation to work for the public interest can improve the provision of public services (Perry & Wise, 1990; Perry

& Hondeghem, 2008). During the last two decades, a comprehensive number of studies dealing with the phenomenon of PSM have been conducted (for an overview, see Pandey & Stazyk, 2008; Ritz, Brewer & Neumann, 2016).

Studies investigating PSM among senior politicians and administrators in the Nordic countries are, however, almost completely absent (Van der Wal, 2013). Of the primarily Danish studies that have examined PSM at the local level in Nordic countries, most focus on professional performance and the implications of PSM for their clients (Andersen & Pedersen, 2012; Andersen & Serritzlew, 2012; Pedersen, 2014). More specifically, they examine the relationship between PSM and the provision of public services among street-level bureaucrats, such as teachers (Andersen, Heinesen & Pedersen, 2014), physiotherapists (Andersen, Pallesen & Pedersen, 2011; Kjeldsen & Jacobsen, 2012), social workers (Kjeldsen, 2014) and general medical practitioners (Jensen & Andersen, 2015). The studies indicate that, within the groups of professionals, PSM is probably more often associated with the nature of public service work than the sector itself. Some Nordic studies distinguish between traditional PSM as an individual's general, altruistic motivation to serve the interests of a community of people or society (Hondeghem & Perry, 2009) and PSM as a more user-oriented motivation to improve the well-being of individuals or "specific others" (Andersen et al., 2011; Jensen & Andersen, 2015).

A few studies have addressed the behaviour of local councillors and administrative elites from a PSM perspective (Bertelsen, Balle Hansen & Nørup, 2017; Pedersen, 2014), but PSM studies are rather rare within an administrative local government context. In this chapter, our goal is to fill in this knowledge gap by contrasting and comparing PSM profiles among Danish and Norwegian administrative local government managers. Based on survey data from 2016 (Bertelsen & Hansen, 2016) and 2017 (Karlsen et al., 2017), which was collected among municipal administrative managers in Denmark and Norway, our main research question is as follows:

What are the similarities and differences in public service motivation among Danish and Norwegian administrative local government managers and what factors can explain these similarities and differences?

In the following sections of the chapter, we first present Perry and Wise's (1990) and Perry's (1996) seminal theoretical concept of PSM and the sub-dimensions of this concept that we apply. We then give a case description related to the characteristics of the Danish and Norwegian local government context and their administrative leaders, followed by some tentative hypotheses. In the subsequent section, we describe our comparative data and empirical approach. Finally, we discuss, interpret and draw conclusions based on our findings.

THEORY: PERRY'S DIMENSIONS OF PUBLIC SERVICE MOTIVATION

According to Perry & Wise (1990, p. 368), PSM can be defined as "an individual's predisposition to respond to motives grounded primarily or uniquely in public institutions and organizations and that seem to be more prevalent in public government than in private sector organizations" (Wise, 2000). In their article, Perry et al. (2010) refer to the existing knowledge accumulation and common denominators in PSM research (Perry & Wise, 1990; Rainey & Steinbauer, 1999; Brewer & Selden, 1998; Vandenabeele, 2006) with the following common definition features: "motives grounded primarily or uniquely in public institutions", "interest for a community of people, a state, a nation, public community and social service" and "belief, values and attitudes that go beyond self-interest and organizational interest that concern the interest of a larger political entity" (Perry et al., 2010, p. 682). In previous research the original four subscales have been used individually and in different combinations (Perry 1997). Among the (4) Perry´s original subscales (Perry 1996), we have used (3) dimensions (excluding "self-sacrifice"). According to Perry et al. (2010) these (3) dimensions point out PSM's focus on public institutions and has proved to be useful in comparative studies across countries. The (3) dimensions are:

- *Attraction to public policy making:* motivation to improve decision-making concerning public services to help others and society
- *Commitment to the public interest:* motivation to provide public services and to serve society
- *Compassion:* empathically based motivation to do good for others by improving public services

METHOD, CASE DESCRIPTION AND DATA

CASE DESCRIPTION: DANISH AND NORWEGIAN MUNICIPALITIES HAVE MANY COMMON FEATURES, BUT THEY ALSO HAVE SOME DIFFERENCES

Denmark and Norway can be described as the most similar cases (Flyvbjerg, 2006; Grønmo, 2006). We have thus based our study on a "most similar case" design (Grønmo, 2006). This means that the two countries/cases that we compare have some differences in terms of the independent variable (PSM), but similar with respect to all other conditions except those to be explained. Consequently, a few of the independent variables are different and may explain variations on the dependent variable (PSM). In the Danish and Norwegian municipal context, these differences are municipal size, the organisation of

political-administrative relations in the municipalities and differences in the prevalence of the New Public Management mechanism.

There are, however, many similarities between Denmark and Norway. Both countries are unitary states with a high degree of decentralisation of tasks and service provision to local governments. Both countries have a long tradition of subnational self-government with a high level of autonomy, especially with regard to organisational freedom (Baldersheim, Houlberg, Lindström, Hlyndsdottir & Kettunen, 2019; Bentzen, Lo & Winswold, 2019).

During the last few decades, financial sustainability in local governments has been challenged, which in turn has led to the pressure to modernise and streamline municipal services. Issues such as size, organisational structure and the introduction of New Public Management (NPM) have been prioritised (Havari, 2015).

Compared to Norway, Denmark has been a more eager reformer in terms of increasing municipal size. A comprehensive amalgamation of municipalities took place in 2007 and Denmark has some of the largest municipalities in Europe (mean 58,459 and median 43,000 residents). Even after voluntary merger attempts from 2014 to 2020, Norwegian municipalities can still be characterised by small population sizes (mean 12,408 and median 4,600 residents (https://stats.oecd.org).

Danish municipalities therefore have more extensive administrative resources and the capacity to deliver advanced services than the numerous small Norwegian municipalities. We assume that when municipal size increases, so does the distance to citizens, which in turn has democratic costs (Hansen, 2015; Reingewertz & Serritzlew, 2019). We also assume that when municipal size increases, so do more specialised and professional administrations (Jacobsen & Thorsvik, 2019) and that large bureaucracies seem to allow for more distortion of citizen preferences than smaller ones (Denters et al., 2015).

Regarding similarities and differences in Public Service Motivation among Danish and Norwegian public servants, international PSM-comparisons reveal relatively similar PSM-profiles between the two countries (Vandenabeele & Van de Walle 2008). Denmark has slightly higher average PSM scores (4,90) versus Norway (4,83). Denmark scored 4,65 on Politics and policy and 5,28 on compassion versus Norway 4,83 and 5,17.

DATA COLLECTION

The Danish study population was limited to municipal directors and senior executives responsible for the areas of school/culture, technology/environment and elderly/social care from all 98 municipalities, leading to a total population of 1,097.

The survey was conducted online between 18 May and 28 June 2016 using the survey system SurveyXact (Bertelsen & Hansen, 2016). This system sent an email to all respondents. In early July 2016, the final data file, containing data from 649 respondents (response rate: 59.2%), was generated, cleaned and prepared.

Due to linguistic similarities, the Danish questionnaire was translated directly into Norwegian by the Norwegian researchers and cultural and political differences were discussed with the principal Danish researchers. A consensus-based questionnaire was tested with a panel of Norwegian community senior executives and minor changes were made. All 426 Norwegian municipalities were included. Afterwards, the municipal websites were reviewed to identify each community's top management team, and a total population of 1,527 was identified. The Norwegian survey was conducted between 15 March and 30 April 2017. The data file consisted of 647 respondents (response rate: 42.4%) (Karlsen et al., 2017). Statistical methods are described further in Appendix 1.

HYPOTHESES

HYPOTHESES REGARDING DIFFERENCES IN MANAGERIAL SYSTEMS – RELATIONSHIP BETWEEN POLITICS AND ADMINISTRATION

Denmark has a *committee–leader–model*, which means that mayors are the formal heads of administration and CEOs play a dependent role vis-a-vis the mayor and political system (Mouritzen & Svara, 2002; Kjær, 2015). Meanwhile, in the Norwegian local government system, councillors (CEOs) are prioritised in the *council–manager model*, in which the mayor is in a relatively weak position without room to manoeuvre in terms of instruction or intervention in the administration's daily affairs (Mouritzen & Svara, 2002). Previous comparative studies about local government CEOs in the Nordic countries have revealed that Danish CEOs provide a stronger basis for democracy than their Norwegian colleagues – probably because the latter have a more independent position (Rose 1996). Formally, the Norwegian CEO is close to the political system in the junction between the administrative and political sphere, but not as formally dependent and close to the political system as Danish CEOs, where their influence is highly dependent on the mayor and where there is political opposition in the council (Ejersbo, Hansen & Mouritzen, 1998; Sletnes, 2015). In addition, Danish CEOs' adaptation to their roles varies, with some acting as the de facto executive and others assuming the role of a staff assistant for the mayor. However, in some Danish municipalities, the CEO now plays a more important political role (Ejersbo et al., 1998; Hansen, 1997). Regardless of country differences, we propose that municipal CEOs are more likely to be more attracted to policy making than their lower ranking colleagues. Our argument is contextual. Municipal CEOs are more involved in politics than

any other municipal bureaucrats. In order to enter and stay in the position they need this kind of motivation. We therefore propose the following hypotheses: *H1. Danish managers are more dependent and woven into the political system and therefore more attracted to policy making than their Norwegian counterparts, and H2. CEOs in both Denmark and Norway are more attracted to policy making than their lower-ranking associates.*

HYPOTHESIS REGARDING ADMINISTRATIVE LEVEL AND TENURE

In the majority of PSM literature, PSM is related to public employment (Vandenabeele & Van de Walle, 2008) and most empirical findings tend to indicate that the age and organisational experience of the respondents seem to have a positive effect on PSM (Perry, 1997). In a recent PSM study testing the effect of tenure on public service behaviours (Jensen & Vestergaard, 2017), the findings imply that longer-tenured public service providers altered their public service behaviours less significantly. Perry (2000) argued in the same manner, emphasising that context variables, particularly those related to the organisational setting, are the most dominant predictors of the PSM dimensions. The PSM of public employees can be understood as mainly the result of their organisational environment, forcing them to adapt their values and attitudes to that environment. Due to these findings, we propose that *tenure* moderates the relationship between PSM and public service behaviours. In other words, commitment to the public interest and compassion are weaker for more tenured senior executives compared to managers at lower hierarchical levels with fewer years of service. This proposition is based on our argument that senior executives in local governments will become "locked in" or institutionalised to follow specific work routines and standardised patterns of actions as they accumulate experience in their specific job settings, and are therefore more concerned about economic steering capacity and the municipalities' overall economic sustainability. It is also reasonable to assume that bureaucrats at the top of the hierarchy will have a greater distance to citizens than bureaucrats lower down the ladder. The distance between the top and bottom in an administrative hierarchy also has the imminent implication that top bureaucrats do not have full knowledge of the consequences and a moral obligation with regard to the effects of their decisions (Bauman, 1989). The compassion factor may therefore be correlated to the position of higher managers in the hierarchy, but also perhaps because human clients, in the wake of the NPM era, are being reduced to quantitative steering categories (Le Grand, 2010).

Based on these (tentative assessment), we propose the following hypothesis:

H3. Commitment to the public interest and compassion are weaker among more tenured senior executives and stronger among managers at lower hierarchical levels.

HYPOTHESIS REGARDING NEW PUBLIC MANAGEMENT REFORMS AND PSM

The Nordic countries have often been portrayed as efficient, successful economies, democracies with exemplary welfare and security arrangements and model states in terms of government reforms (Greve, Lægreid & Rykkja, 2016). For the last two decades, these public sector reforms have been driven by a desire to increase efficiency, accountability, user centeredness and responsiveness to societal demands (Christensen & Lægreid, 2011). During the first decade of NPM-inspired reforms in the 1980s, Norway was characterised as a reluctant reformer (Olsen, 1993; Christensen & Lægreid, 1998), whereas Denmark was characterised by "big bang" reforms that introduced a new approach, such as the "modernisation programme" launched in the 1980s (Ejersbo & Greve, 2014). However, most accounts suggest that the scope of privatisation and outsourcing has been moderate in both Denmark and Norway compared to Anglo-Saxon countries like the UK and New Zealand. As such, Denmark and Norway have been exposed to much of the same reforms and institutional pressure. Previous studies in Europe suggest that lower PSM scores were found after marketisation and NPM reforms, such as outsourcing and contracting out, as well as a greater focus on economic steering than on typical public administration values (Pratchett & Wingfield, 1996). If market values permeate society, public service motivation and its constituting values will become less important (Le Grand, 2010). However, since Norway and Denmark have been characterised as "light" NPM reformers compared to their counterparts in Finland and Sweden (Havari, 2015), we control for market-like mechanisms, for which the scope probably varies between municipalities, such as contracting out and outsourcing figures. Based on these assumptions, we test out the following hypothesis:
H4. Local government managers in Denmark and Norway with experience from municipalities using market mechanisms like contracting out and outsourcing have significantly lower PSM scores than managers without such experience.

HYPOTHESIS REGARDING PREVIOUS POSITION, PRIVATE VERSUS PUBLIC SERVICE

Based on the findings of previous studies, PSM scores are higher among public employees than private sector employees. Furthermore, PSM in the public sector has a distinctly public character (Vandenabeele & Van de Walle, 2008). According to Perry and Wise (1990, p. 368), "the greater an individual's PSM, the more likely the individual will seek membership in a public organization" (Leisink & Steijn, 2008, p. 122). Individuals with high PSM or value-based

public organisations focused on the common good, equity, justice, etc. will be more inclined to apply for public service to achieve so-called value congruence (Kristof-Brown, Zimmerman & Johnson, 2005). In contrast, a more open labour market in which employees have careers across the public and private sectors will dilute the differences and erode distinctly public values (Le Grand, 2003; Hebson, Grimshaw & Marchington, 2003).

There is ongoing debate about the degree of "publicness" of public organisations (Bozeman, 2013; Jacobsen, 2015). Due to marketisation reforms and increased pressure for innovation and entrepreneurship, organisations in policy environments may appear to be public-private hybrids. Leadership takes place in a myriad of hybrids between the public and private sectors. In such situations, challenges for leaders may be more strongly linked to basic features such as task and organisational size rather than to whether an organisation is either public or private (Jacobsen, 2015). Moynihan (2008, p. 247) pursued the same line of thought and claimed that the "market model" could crowd out intrinsic incentives such as PSM. We also follow this presumption and examine whether there is a difference among local government managers with a background in the public or private sector, controlling for previous job experience in economics or finance ("hard sectors") versus health and welfare sectors ("soft sectors"), to determine whether these careers have any impact on their PSM scores. Based on this knowledge, we propose the following hypotheses:

H5. Managers recruited from the private sector have significantly lower PSM scores than their counterparts with tenure from the public sector,

H6. Managers with tenure from the public sector working with economics/finance have significantly lower PSM scores than their counterparts with tenure from soft sectors.

FINDINGS

As shown in Table 4.1, Danish administrative officers are older, have more subordinates, longer public work experience and more weekly working hours than their Norwegian counterparts. There are more female administrative officers in Norway than in Denmark.

TABLE 4.1: Characteristics of Danish (DK) and Norwegian (N) community administrative officers (2016/2017) (N=1296). 1=chief executives. 2=mid-level executives. 3=operative level managers. 4=other managerial positions.

	Total sample					Denmark					Norway					p-value
Gender. n (%)																
Females	562	(45.8)				276	(42.8)				286	(49.1)				.029
Position. n (%)																
Level 1 manager[1]	215	(16.9)				66	(10.2)				149	(23.7)				-
Level 2 manager[2]	498	(39.1)				229	(34.5)				269	(42.8)				-
Level 3 manager[3]	427	(33.5)				289	(44.8)				138	(22.0)				-
Other[4]	133	(10.5)				61	(9.5)				72	(11.5)				-
	Mean	(SD)	Median (25–75 %)			Mean	(SD)	Median (25–75 %)			Mean	(SD)	Median (25–75 %)			
Age (years)	54.4	(7.1)	55	(49	- 60)	55	(7.1)	55	(49	- 61)	53.8	(7.0)	54	(49	- 59)	.006
Number of subordinates	578	(1205)	108	(16	- 593)	871	(1474)	275	(55	- 1100)	261	(693)	29	(8	- 233)	<.001
Years in current position	6.5	(5.9)	5	(2	- 9)	6.5	(5.6)	5	(2	- 9)	6.4	(6.2)	4	(2	- 9)	.697
Years in public service	21.0	(10.2)	20	(13	- 29)	21.6	(10.0)	20	(15	- 30)	20.1	(10.5)	20	(12	- 28)	.015
Number of previous municipal or regional employment	2.7	(1.5)	2	(2	- 4)	3	(1.5)	3	(2	- 4)	2.4	(1.4)	2	(1	- 3)	<.001
Weekly working hours	47.6	(7.2)	45	(43	- 50)	49.3	(7.1)	50	(45	- 53)	45.7	(6.9)	45	(40	- 50)	<.001

Our principal component analysis revealed acceptable structural validity of the three PSM-scales (Attraction to policymaking, Commitment to public interest, and Compassion) in a Nordic context.

Our Hypothesis # 2 that Level 1 managers (CEOs) in both Denmark and Norway are more attracted to policy making than their lower-ranking associates is supported. The Danish CEOs scored significantly higher on policy attraction and lower on commitment to public interest and compassion than their Norwegian counterparts.

A possible explanation for the lower scores on the dimensions of commitment to public interest and compassion in Denmark may be the differences in average municipality size in Denmark and Norway. After the Danish municipalities were merged and increased significantly in size, the distance between politicians and individual citizens also increased. As the administration has grown and become more professionalised, local politicians have also experienced a shift in influence and power in favour of the administration. In addition, research has revealed a negative association between increased municipality size and satisfaction with services in the wake of the Danish municipality merger reform in 2007 (Blom-Hansen, Houlberg & Serritzlew, 2016; Blom-Hansen, Houlberg, Serritzlew & Treisman, 2016). These findings are in accordance with Denters et al. (2015) that small bureaucracies seem to allow for less distortion of citizen preferences.

TABLE 4.2: Associations between possible predictors and attraction to public policy making, commitment to public interest and compassion among Danish and Norwegian municipal managers. 1) 0=DK, 1=N. 2) 1=chief executives, 2=mid-level executives, 3=operative level managers. 3) 0=male, 1=female. 4) 0=no, 1=yes. Bold = significant at least 5%. Italics = significant at least 10%.

		Attraction to policy making			Commitment to public interest			Compassion		
		Non-standard Coeffi-cients	Stan-dardised Coeffi-cients	p-value	Non-standard Coeffi-cients	Stan-dardised Coeffi-cients	p-value	Non-standard Coeffi-cients	Stan-dardised Coeffi-cients	p-value
	Country[1]	-4.063	-.115	.007	7.454	.272	**<.001**	12.192	.372	**<.001**
	Managerial level[2]	-4.313	-.182	<.001	.021		.976	3.334	.151	<.001
	Age in years	.062	.028	.568	.063		.457	.156	.076	.111
	Years in current position	-.090	-.034	.356	.059		.434	.020	.008	.822
	Years in public sector	.081	.050	.271	.040		.483	.072	.048	.276
	Gender[3]	.020	.001	.987	.332		.725	-.070	-.002	.949
	Recruited from private sector[4]	4.740	.064	.062	.565		.776	-5.389	-.078	.019
	NPM experience outsourc-ing[4]	2.235	.057	.116	-.944		.390	-.725	-.020	.573
	NPM experience contracting[4]	2.036	.050	.146	1.527		.160	.067	.002	.958
	Size of staff (number of persons)	-.001	-.065	.069	.001		.095	.001	.024	.497
	Previous experience in public sector[4]	-3.399	-.059	.104	3.385	.076	.037	-3.143	-.059	.098
Earlier position[4]	Finance/economics	.271	.007	.857	-1.040	-.032	.376	-3.218	-.084	.018
	Health/social sector	-1.016	-.030	.386	.267	.010	.769	-.126	-.004	.906
	Taxation	-1.419	-.015	.664	-2.362	-.032	.347	-.706	-.008	.812
	Technical	-1.266	-.027	.425	.483	.013	.695	*-2.500*	*-.057*	*.083*

As shown in Table 4.2, the multivariate regression analyses, when controlling (mathematically nullifying the effect) for several possible predictors simultaneously, we found that the difference between Denmark and Norway is statistically significant in all PSM scales. On average, when compared to Norwegian administrators, Danish administrators scored 4.1 percent higher (p=.007), 7.5 and 12.2 percent lower (both p<.001) on policy attraction, commitment to public interest and compassion, respectively. These differences in PSM between Denmark and Norway are not in accordance with results from the international comparative study by Vandenabeele and Van de Walle (2008), where Norway scored higher on politics and policy, and Denmark higher on compassion. However, these differences are minor, and our survey data is not directly comparable to Vandenabeele and Van de Walle (2008) – as different measuring instruments have been used.

Our results also support Hypothesis # 1 that the Danish municipal managers are more dependent and woven into the political system and therefore more attracted to policy making than their Norwegian counterparts. The picture drawn from the regression analyses confirms the results of bivariate analyses: Danish managers in general scored higher on policy attraction, but lower on commitment to public interest and compassion compared to Norwegian managers. We can only speculate, but may assume, that Danish local government CEOs and associate top managers are more likely to be exposed, dependent and involved in politics and political play in city councils than their colleagues in Norway. This may be due to differences in the formal structure between the two countries. The Norwegian CEOs manage according to the council–manager form, while their Danish counterparts manage according to the committee–leader form, which makes the latter more attracted to policy making. Our findings are also in accordance with Perry (1997), Steijn & Leisink (2006) and Pandey & Stazyk (2008) (Table 4.3).

TABLE 4.3: PSM scores of Danish and Norwegian community administrative officers (2016/17)

	Total sample (n=1065)		**Denmark (n=550)**		**Norway (n=515)**		
	Mean	**(SD)**	**Mean**	**(SD)**	**Mean**	**(SD)**	**p-value**
Attraction to policy making	85,4	(18,2)	87,7	(17,1)	83,0	(18,9)	<.001
Commitment to public interest	83,2	(16,8)	71,6	(13,8)	95,1	(9,8)	<.001
Compassion	70,3	(17,6)	62,7	(16,3)	77,8	(15,4)	<.001

Furthermore, our data show independently of country that the managerial level is significantly associated with policy attraction, thereby also supporting our Hypothesis # 2; Level 1 managers (municipal CEOs) in both Denmark and Norway are more attracted to policy making than their lower-ranking associates. On average, for every step up on the hierarchical ladder, policy attraction increased by 4.3 percent ($p<.001$).

Interestingly, we also found that managers at the top municipal level were less oriented to compassion than their colleagues at lower organisational levels (Table 4.2). On average, for every step down on the hierarchical ladder, compassion increased by 3.3 percent ($p<.001$). This finding partly supports our Hypothesis # 3 that commitment to the public interest and compassion are weaker among more tenured senior executives and stronger among managers at lower hierarchical levels. When controlled for other predictors, the organisational level was not found to be associated with public interest – only compassion was.

We hypothesised (cfr. Hypothesis # 4) that local government managers in Denmark and Norway with experience from municipalities using market mechanisms like contracting out and outsourcing will have significantly lower PSM scores than managers without such experience. As shown in Table 4.2, we did not find significant associations between the chosen NPM indicators and the PSM scales. Such findings in our analyses do not, however, prove that such associations do not exist and therefore need to be scrutinised further.

We also found that managers recruited from the private sector (cfr. Hypothesis # 5) scored 5.4 percent lower ($p=.019$) on average than those recruited from the public sector on compassion (Table 4.4). Likewise, on average, those with previous positions related to finance or economics (cfr. Hypothesis # 6) scored 3.2% lower ($p=.018$) on compassion than their counterparts recruited from the public sector. The finding may be interpreted in accordance with the assumption that blurry hybrid identities between the public and private sectors are becoming more present among some of these managers. Previous experience in the public sector seems to predict higher scores on commitment to public interest, in accordance with earlier PSM research (Vandenabeele & Van de Walle, 2008; Perry & Wise, 1990).

Our analysis has uncovered important differences between Danish and Norwegian local government managers, despite our very similar design. In relation to the six hypotheses, our main findings can be summarized as follows: H1 and H2 were supported. H3 was only partly supported (lower hierarchical level to compassion). H4 was not supported. H5 and H6 were only partly supported.

Given the many contextual similarities between these two countries, the findings were somewhat surprising as we revealed a statistically significant

difference between Denmark and Norway on all PSM scales. Extant literature has overlooked studies of PSM among local government administrative managers in the Nordic countries. Our study is thus a pioneering work in a Nordic context, where there will be a need for follow-up studies and time series data. Theoretically, our study strongly indicates that formal structure matters to motivation, both in terms of hierarchy and in terms of the formal rules of the relations between the political and the administrative system (H1, H2 and H3 were confirmed or partly confirmed). Secondly, marketisation and NPM variations seems unrelated or weakly related to PSM (H4, H5 and H6 were not confirmed). Since NPM has been a strong reform trend in many countries this is an important finding. However, this finding should be tested in other contexts as well, since NPM has been only moderately strong in the Nordic countries (Christensen & Lægreid 2012). Finally, the fact that Norway and Denmark differ significantly on all the included PSM measures suggests that national culture relationship to PSM should be better theorised and examined in future research.

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APPENDIX 1: STATISTICAL METHODS

A total of ten items measured attitudes towards PSM (Appendix, Table 4.4).

TABLE 4.4: PSM-items

Dimension	Items
Attraction to policy making	In general, I associate politics with something positive
	I find the political decision-making process exciting
	In general, my impressions of politicians is positive
Comm. to public interest	Meaningful public service is very important to me
	I would prefer seeing public officials do what is best for the whole community, even if it harmed my interests
Compassion	It is difficult for me to contain my feelings when I see people in distress
	I am often reminded by daily events about how dependent we are on one another
	I have little compassion for people in need who are unwilling to take the first step to help themselves
	Most social programs are too vital to do without
	Everybody is entitled to a good service even if it costs a lot of money

Each item was scored based on a 5-point Likert scale ranging from 1 ("strongly disagree") to 5 ("strongly agree") (Table 4.4). These ten items have acceptable internal consistency with a Cronbach's alpha coefficient of .74. When Bartlett's test was statistically significant ($p<0.001$) and the Kaiser-Meyer-Olkin test was not significant ($p=.685$), we performed a principal component analysis (PCA) to test the structural validity of the three PSM dimensions. The ten items were analysed in a direct oblimin rotation with selection criteria equal to eigenvalue > 1.0, resulting in four components. The eigenvalues (explained variance) of components 1, 2, 3 and 4 were 2.388 (23.9%), 1.890 (18.9%), 1.117 (11.2%) and 1.008 (10.1%), respectively. When performing a PCA, the selection of components is critical, so a parallel analysis (10 variables, n = 215, 100 iterations) was performed. Component 4 had a lower eigenvalue (1.008) than the eigenvalue criterion in a randomly-generated data matrix (1.181) and was therefore rejected. A second PCA was then performed, forcing a three-component extraction (Appendix, Table 4.5).

TABLE 4.5: Principal component analysis of PSM-items

		1	2	3
Attraction to policy making	In general, I associate politics with something positive	.809		
	I find the political decision-making process exciting	.808		
	In general, my impressions of politicians is positive	.749		
Comm. to public interest	Meaningful public service is very important to me			-.736
	I would prefer seeing public officials do what is best for the whole community, even if it harmed my interests			-.788
Compassion	It is difficult for me to contain my feelings when I see people in distress		.410	
	I am often reminded by daily events about how dependent we are on one another		.471	
	I have little compassion for people in need who are unwilling to take the first step to help themselves		.453	
	Most social programs are too vital to do without		.730	
	Everybody is entitled to a good service even if it costs a lot of money		.769	
	Cronbach's alpha	.742	.587	.522
	Eigenvalue	2.388	1.890	1.117
	% of explained variance	23.9	18.9	11.2

An examination of the structure matrix revealed that two of the items ("It is difficult for me to contain my feelings when I see people in distress" and "Daily events often remind me how dependent we are on one another") had higher component loadings in Component 2 than in Component 3. This finding, together with a pragmatic approach, led to the retainment of the two items from Component 3.

The values of the items of Components 1, 2 and 3 were totalled and converted into scales ranging from 0–100, in which higher values indicate a stronger PSM. Due to the non-normal distribution of values in the components, Mann-Whitney U tests were conducted on the continuous variables and chi-square tests and Fisher's exact tests (2x2) were conducted on the categorical variables. Furthermore, bivariate correlation analyses were performed to calculate the Spearman correlation coefficients. Median (25–75% quartiles) and mean (standard deviation) values are reported. We applied linear multivariate regression analyses to calculate the associations between independent variables for each of the components. An examination of variation in the inflation factors in the models revealed no consequential multicollinearity between the independent variables. The probability-probability plot between expected and observed cumulative distribution was considered acceptable. A two-tailed p value < 0.05 was set as a limit for statistical significance.

CHAPTER 5

Leadership of organisations: Theory and evidence from the development of Norwegian scenic routes

Charlotte Kiland and Zuzana Murdoch

ABSTRACT

While much academic attention has been devoted to leadership inside organisations, less is known about the leadership of organisations. In this chapter, we argue that leaders of organisations have three key functions: i) introduce and develop new mental models of the organisation, ii) cultivate external supporting mechanisms that buttress legitimacy, iii) defend against the death of the organisation. We assess these ideas empirically by examining the case of Norwegian Scenic Routes (Nasjonale Turistveger) – a new policy programme by the Norwegian Public Roads Administration, which has been continuously expanded since the mid-1990s. Building on documentary evidence as well as interviews, we find considerable support for our theoretical arguments. Our findings contribute to the understanding of how leaders create and maintain institutions in a new and divergent field, which links our analysis to research on institutional entrepreneurship and institutional work. Furthermore, since our case involves a large number of stakeholders across three levels of government, it also allows extracting new lessons for the literature on multi-level and collaborative governance.

Keywords: leadership, institutional change, institutional work, institutional entrepreneurs, public administration.

PHILIP SELZNICK AND THE "LEADER-STATESMAN" IN A NORWEGIAN PUBLIC ORGANISATION

Philip Selznic's (1957) seminal work "Leadership in Administration: A Sociological Interpretation" has been highly influential in shaping our view of institutions as "organisations infused with values". Yet, despite the title of the book, his conception of leadership has not been equally prominent in subsequent studies. This is surprising given Selznick's strong focus on the role of leadership "for the development, legitimacy and survival of organisations and their core values" (Murdoch, 2015, p. 1685). Leadership in his view consists of "far more than the capacity to mobilize personal support; it is more than the maintenance of equilibrium through routine solution of everyday problems" (Selznick, 1957, p. 37). This line of argument effectively distinguishes between leaders as "managers" and leaders as "statesmen" (Selznick, 1957, p. 4). While leader-managers are at the heart of management and business scholarship, academics have largely ignored the statesman aspect of leadership for decades (Kraatz & Moore, 2002, p. 122). Consistent with the intention of this book, and in light of several contributions by Dag Ingvar Jacobsen to our

understanding of leadership in public and private organisations (Jacobsen, 2015, 2018 & 2019), this chapter brings the leader-statesman back to the forefront of institutional analysis by examining the leadership *of* organisations. Specifically, our central research question focuses on the role of leadership for both institutional continuity and change: What are the tasks of leaders of organisations to create and maintain institutions in a new and divergent field? This highlights our focus on leaders' "institutional work" (Kraatz, 2009), which has been conceptualized as the "purposive action of individuals and organizations aimed at creating, maintaining, and disrupting institutions" (Lawrence & Suddaby, 2006, p. 215).

Our theoretical argument draws attention to the "agency with which individuals interact with institutional scripts and roles" (Lawrence et al., 2011, p. 54; see also Garud et al., 2007). We argue that this institutional work is where leaders *of* organisations play a critical role (Kraatz, 2009) to develop and maintain the status and legitimacy of the organisation (Lawrence & Suddaby, 2006; Deephouse & Suchman, 2008). Specifically, building on Kraatz and Moore (2002) and Washington et al. (2008), we contend that leaders *of* organisations have to perform three key tasks: *i)* exploit strategic inflection points to move their organisation in a new direction, *ii*) cultivate internal and external supporting mechanisms to buttress legitimacy, and *iii*) defend against the death of their organisation.

We empirically assess these ideas by examining the practices of leaders in the development and institutionalisation of a new policy programme by the Norwegian Public Roads Administration (NPRA) – i.e., "*Norwegian Scenic Routes*" (NSR; *Nasjonale Turistveger*) – since its inception in 1994. Our data derive from official documents and media stories related to the NSR programme as well as 13 elite interviews with 15 key civil servants in NPRA, ministers of transport, members of the Norwegian Parliament's Transport Committee, external auditors, and so on. Using qualitative content analysis based on predominantly deductive (theory-based) coding, our empirical methodology follows Selznick's (1957, p. 141) suggestion to study institutions via a "developmental" approach emphasizing historical origins and growth stages (known today as process tracing; Collier, 2011; George & Bennett, 2005). Our main findings indicate that leaders create and maintain institutions by introducing new mental models and practices infused by their personal experiences. They then bolster legitimacy through storytelling as well as stimulating support from a broad diversity of stakeholders. Finally, leaders overcome threats to their organisation through workforce stability, internal and external anchorage, as well as structural decoupling (which increases decision-making autonomy by keeping parent structures "at arm's length" (Egeberg & Trondal, 2009a; Elston, 2014).

The next section sets out our theoretical framework and propositions. Then, we present our empirical case, data, and empirical methodology before summarizing our main findings. In the final section, we offer a concluding discussion that, given the nature of our case, also reviews insights with respect to the role of leaders for multi-level and collaborative governance more generally.

THE ROLE OF LEADERSHIP FOR INSTITUTIONAL CONTINUITY AND CHANGE

How are institutions created and maintained? How do new institutions compete for primacy in an established institutional field? In this chapter, we have taken inspiration from the work of Philip Selznick (1957), who was interested in how organisations – defined as "entities formally established for the explicit purpose of achieving certain goals" (Blau & Scott, 1962, p. 5) – evolve into institutions over time. In recent decades, scholarship addressing this question has relied heavily on the notions of institutional entrepreneurship (Di Maggio, 1988; Suddaby & Greenwood, 2005; Weik, 2011) and institutional work (Kraatz, 2009; Lawrence & Suddaby, 2006). Yet, few of these studies focus on the agency of those in leadership positions, and the "processes by which leaders lead organizations" (Washington et al., 2008, p. 731). We contribute to this literature by drawing attention to the practices of institutional leaders for *both* creating *and* maintaining value-infused, taken-for-granted practices. We henceforth refer to such practices as "institutional leadership", and to the leaders engaging in them as "institutional leaders". Following Selznick (1957), we thus argue that leaders are more than "just" leaders of organisations. They must rely on political skills to impose desired changes, infuse organisations with value, and "maintain the legitimacy and survival of their institution" (Washington et al., 2008, p. 724). Building on and extending the work of Selznick (1957), Kraatz and Moore (2002) and Washington et al. (2008), we take the first step towards setting out the key tasks institutional leaders must engage in to achieve their aims. In this section, we further develop these arguments and thereby derive a number of propositions.

Task 1: Introducing new mental models to develop the vision and mission of the organisation

Selznick (1957) argued that leaders must maintain internal commitment to the values and mission of the organisation. One way to do this is via "the elaboration of socially integrating myths", which help "infuse day-to-day behavior with long-run meaning and purpose" (Selznick, 1957, p. 151). Organisational

visions give rise to the telling and exchange of stories (or "myths") to reinforce key values and advance a coherent picture of the organisation's identity. Such an exchange allows those involved to develop a "collective story" (Washington et al., 2008), which is critical to the maintenance of the internal consistency of the organisation (Bolman & Deal, 2003). In creating this "descriptive mental model of the organization", leaders build on their own experiences and weave an autobiographical pattern of historical accounts into the "individual and institutional story creation process" (Washington et al., 2008, p. 726). This not only provides an opportunity for the leader to impart "much of their own meaning and sense-making onto the organization", but also helps to maintain individual-organisation coherence and to cement the leader as a legitimate part of the organisation's identity (Washington et al., 2008, p. 727). A leader's functional background or past experiences can thus impart new and different conceptions of what is reasonable or preferable, which can help overcome the limiting assumptions of institutional natives" (Greenwood & Hinings, 1996).

Developing a new "mental model" within an inherently political and highly institutionalised setting is not an easy task. To achieve substantive changes that conflict with the institutionalised setting, we expect that institutional leaders exploit "strategic inflection points" (Boal & Hooijberg, 2000, p. 520; Grove 1997). These can be defined as fundamental shifts in environmental conditions and constraints (e.g., technological innovations, changes of government, or socio-economic disruptions). While such inflection points may in general be very hard to detect a priori, they make change feasible as well as functionally attractive (Boal & Hooijberg, 2000). As such, they create opportunities for leaders to disrupt the institutional status quo and (re)frame expectations and impressions.

Proposition 1: Institutional leaders exploit strategic inflection points to create and maintain organisational visions infused by their own experiences.

Task 2: Develop supporting mechanisms to increase legitimacy of the organisation

Legitimacy – understood as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995, p. 574) – is critical to the survival of any organisation or practice. Consequently, it is of fundamental importance for leaders to ensure that "an organization is endorsed and supported by a segment of society large enough to ensure its effectiveness and survival" (Washington et al., 2008, p. 728). A second key

task of institutional leaders thus relates to the development of internal and external supporting mechanisms that help sustain the social acceptance of their organisation and/or practice (Deephouse & Suchman, 2008; Washington & Ventresca, 2004).

Since extant literature suggests "a central position for rhetorical, discursive and technical struggles over what is legitimate" (Deephouse & Suchman, 2008, p. 68), we assert that this task can be accomplished via the use of communication strategies aimed at "selling" the organisation or practice as legitimate. Leaders thereby put forward strategically chosen verbal and non-verbal accounts as a form of impression management (Elsbach & Sutton, 1992; Goffman, 1959). Such strategic communications may take distinct forms. One example could relate to building a (personal) reputation for strong adherence to a set of principles that drive the actions of the organisation. Strategic communications may also target a variety of audiences, such as social and political networks as well as interest groups. Selznick (1957, p. 16) indeed argued that a diversity of forces standing behind an organisation or practice will have a unifying effect by defining the "commitments to the organization".

Proposition 2: Institutional leaders bolster legitimacy through strategic communication practices and impression management.

Task 3: Defend against threats and overcome internal/external enemies

Institutions never exist in a vacuum. Multiple institutions with diverging sources of interest and identities may vie for dominance in any given setting. Even if no competing practices are present today, these might develop in the future. Any practice thus can come under attack whenever actors invest in competing practices and work to de-institutionalise the initial practice. This competition creates a third important task for institutional leadership: i.e., defending against threats and overcoming internal/external enemies.

As argued by Oliver (1992), "threats to the persistence of an institutionalized practice" (p. 581) may arise from a number of directions including political (e.g., legal and regulatory changes), technical (e.g., technological innovations) and social (e.g., reduced cultural consensus about the practice) pressures. Leaders must therefore develop a range of distinct responses depending on prevailing circumstances and the nature of the threat. For instance, securing explicit support from powerful actors, or embedding the practice in long-term legal frameworks may provide political resilience and anchorage. Relatedly, structural decoupling from parent organisations may buttress the autonomy of

decision-making, and thereby offers power and leverage relative to competing practices (Egeberg & Trondal, 2009b). Finally, maximizing workforce stability and stimulating the socialisation of organisation members may counteract social pressures arising from the fragmentation of the population that originally institutionalised the practice. Previous research indeed illustrates that institutions are stronger and more threat-resistant when organisation members (including leaders) have been socialised over a long period of time to share common values (Saks & Ashforth, 1997; Selznick, 1957).

Proposition 3: Institutional leaders address (internal and external) threats through workforce stability, anchorage, and structural decoupling.

CONTEXT AND CASE SELECTION: NORWEGIAN SCENIC ROUTES

The Norwegian Public Roads Administration (NPRA) is a government agency subordinate to the Ministry of Transport and Communications. With topographic conditions presenting a major challenge for infrastructure development in Norway, the NPRA's main task is to ensure a safe, sustainable, and efficient road transport system in Norway. This predominantly includes planning, construction, operation, and maintenance of national and county public roads. *Norwegian Scenic Routes* (NSR) was a new policy programme initiated in 1994 by the NPRA to identify key scenic roads in Norway and develop them with architectural viewpoints and picnic areas. Although initially this was a pilot project involving four routes financed by the NPRA, in 1998 the NPRA was tasked by the Norwegian parliament to extend and broaden the programme using central government budgets from the Ministry of Transport and Communications. At the same time, NSR was embedded into Norway's first National Transport Plan (1998–2008). The National Transport Plan was at that time a ten-year investment plan for all modes of transport in Norway. It must be approved by Parliament every four years, and the current plan runs from 2018 to 2029. Today, the NSR programme is developing 18 routes (selected from 52 options). Upon completion in 2023, the programme will have produced 250 attractions along these 18 routes and is estimated to cost NOK 3.5 billion (approximately €330 million).

The NSR case is of particular interest for our research objectives due to three key characteristics. First, NSR represents the transformation of a legitimized practice, promoting change that conflicts with the prevailing institution within highly institutionalised settings. NSR indeed represents a completely new practice within the NPRA, taking it from engineering "nuts and bolts" (i.e., gravel and asphalt) to architectural scenic routes.

Second, NSR represents a multidimensional space including three levels of government (i.e., national, regional, and municipal), as well as private actors including the local business community and affected landowners. Thereby, NSR's leadership must engage in horizontal as well as vertical co-ordination with five ministries, seven counties, 57 municipalities, private firms (architecture and engineering firms, consultants), and local stakeholders. The role of the counties increased in 2010 when the Norwegian Administration Reform (*forvaltningsreformen*) reclassified many state roads as county roads. Since then, the NSR leadership has had to engage regional governments more directly through cooperation and collaboration. Moreover, to assist in developing these routes', the programme established an Architecture Council (to ensure high visual quality of all attractions), a Quality Council (to advise on professional guidelines), and an arts curator (to incorporate internationally valuable art). Hence, a very substantial number of actors have been involved in this multilevel and collaborative governance.

Third, a prevalent political consensus has considered transport and infrastructure development an important part of the regional policy in Norway. Policy decisions within the transport and infrastructure field are viewed by politicians, academics as well as commentators as political means to secure regional socio-economic development (e.g., employment, local economic growth, and population settlement). This approach is commonly referred to as the "broad" regional policy approach, which considers multi-sectoral state activities (i.e., transport, agriculture, energy, culture) as being important stimuli to regional economies (Bachtler & Yuill, 2001). Characterised by strong local cultures and traditions, the periphery has thereby traditionally been a substantial influence and has managed to impress its wishes on the Norwegian polity. This is important since these contextual constraints work to circumscribe the potential influence and actions of institutional leaders in our case (Johns, 2006).

DATA AND METHODS

DATA SOURCES

We utilised information from two main sources. First, we collected official documents related to the NSR programme. These include brochures and annual reports about the 18 routes, National Transport Plans, transcripts of relevant meetings of the Norwegian Parliament's Transport Committee, and minutes NSR's Quality and Architecture Council meetings. This has been complemented with information about the programme from national and local media sources using the Atekst database. Second, to obtain more direct insights into actors'

motivations and (inter)actions, both authors conducted 13 in-depth interviews in 2016–2018 with 15 elite informants. These interviewees included NSR project management (5), NPRA leadership (2), members of the Quality and Architecture Councils (3), relevant ministers of transport and communications (2) and their political advisors (1), as well as members of the Norwegian Parliament's Transport Committee (2).

Interviews were semi-structured to enhance information retrieval and lasted between 45 and 75 minutes. They covered the following three main topics: i) the NSR programme formulation phase (i.e., origins of and driving forces behind the establishment of NSR), ii) project partners (i.e., form and nature of involvement, interaction, and coordination with local and (inter)national actors throughout the project), and iii) financing and organisation (i.e., the legal, structural, and operational framework of NSR). All interviews were recorded and subsequently transcribed.

ANALYSIS STRATEGY: PROCESS TRACING

We followed Selznick's (1957, p. 141) suggestion to implement a "developmental approach" to study institutions' historical origins and growth stages. In today's terminology, this implies we adopted a qualitative process tracing approach (Collier, 2011; George & Bennett, 2005). Therefore, we found it beneficial to start with a narrative and timeline listing sequences of events (see Table 5.1). In this way, we explored available narratives and considered the various sources of evidence (dis)confirming the ideas embedded in these narratives (Collier, 2011, pp. 828–829). Subsequently, we engaged in a deductive, theory-driven process, in which data were coded according to predefined categories derived from the theoretical framework. This was done independently by both authors to increase reliability. Throughout the analysis, we also returned to previously analysed sources and re-examined them in light of newly gained insights. Thus, we gained flexibility for incorporating emerging themes and adjusted our inferences accordingly.

Before turning to our main findings, we should briefly discuss potential concerns regarding interviewees' post-hoc rationalization and biased self-representation as well as confirmation bias, arising from our iterative empirical approach. Regarding the former, we mitigated such concerns by asking respondents not only about themselves and their own organisation, but also about other actors involved in NSR. We furthermore cross-validated information from interviews using official documents and media sources, which increased internal validity. With respect to our iterative empirical approach, we addressed potential concerns over confirmation bias by discussing our findings and supporting

evidence with an independent researcher *uninformed* about the development of our theoretical ideas. This "peer debriefer" (Novell et al., 2017; Spall, 1998) – and the fact that we independently coded all transcripts and documents (see above) – forced us to keep an open mind at all times.

TABLE 5.1: Timeline and critical junctures

Timeline	Critical junctures
1985	Study trip to the US by long-term NPRA staff member, later headhunted as project leader in the pilot project called "Reiselivsprosjektet" [Tourism project].
1992	First initiative from a regional director of NPRA to invest in tourism, architecture, and art. Informal discussions in NPRA and with political representatives in the Norwegian Parliament.
1993–1997	NPRA's pilot project "Reiselivsprosjektet" is established and carried out.
1994	NSR is established as a project in NPRA. A new project organisation established.
1997	Change of Norwegian government, with the Centre Party entering the government.
1998	NPRA asked by the Norwegian Parliament to extend the pilot project by providing formal approval to the NSR programme. NSR programme is anchored into the first National Transport Plan (10-year plan 1998–2008). The four first routes are developed.
1998	New manager appointed for the NSR programme. Hiring of a communication advisor. The project organisation is located physically outside the main NPRA headquarters.
1998–2000	Several crises and major investment projects related to the "Gardermoen" airport project.
2004	The first project directive for the NSR programme signed by the Director General of the NPRA emphasises NPRA's commitment to NSR.
2004	NSR section established as a formal and separate organisational unit in NPRA, still physically located outside the main NPRA headquarters.
2004	"Open invitation" sent to all regions and municipalities for suggestions about potential routes. Establishment of coordination groups.
2005	NPRA chooses 18 routes to be developed as NSR routes.
2005–2013	The Centre Party controls the transport ministry.
2009–2018	NSR programme is anchored into the second National Transport Plan, which states that the routes are to be marketed jointly as one tourism product from 2012 onwards.
2010	The Norwegian Administration Reform ("forvaltningsreformen"), which involves a reclassification of state roads to country roads.
2010	NSR is presented at the World Exhibition at Expo Shanghai.
2019–2029	NSR programme is anchored into the third National Transport Plan (10-year plan).

EMPIRICAL EVIDENCE ON THE THREE TASKS OF INSTITUTIONAL LEADERS

We structured our empirical analysis along the three tasks of institutional leaders set out in our theoretical framework. Direct citations from our interviews and documentary evidence are italicised (translated from Norwegian original), and interviews were numbered (1–13) to maintain confidentiality.

Task 1: Introducing new mental models to develop the vision and mission of the organisation

Proposition 1 states that institutional leaders exploit inflection points to create and maintain organisational visions infused by their own experiences. In our setting, three such points came prominently to the fore during the analysis. The first of these was ideational and relates to a study trip by a long-term NPRA staff member in 1985 to the US, which "impressed [upon me] how good they were over there at using their logo with a camera (…) and informing about what we saw" (Interview 8). This personal experience "inspired" a newspaper article arguing that NPRA "should make an effort to market our tourist routes", which "was very well received" by several regional NPRA managers (Interview 8). Our informant added that "I believe this was the starting point" for a pilot project (*Reiselivsprosjekt*) she initiated – shortly after being promoted to a leadership position in 1990 – with the explicit support of one of these regional NPRA managers (Interviews 4, 8).

A second inflection point was political in nature. Several of our informants indicated that a change of government in 1997, as well as changes in partisan control over the transport ministry in subsequent years, were critical for the early development and expansion of the NSR project (Interviews 1, 4, 5, 10, 12). When the Centre Party (*Senterpartiet*) became part of the national government in 1997, and particularly when that party ran the transport ministry between 2005 and 2013, the NSR project received a substantial "budgetary boost" (Interviews 1, 5). It was during one such period that NSR was "lifted into" the first National Transport Plan in 1998 (see also below). The NSR leadership thereby appears to have exploited this party's strong interest in promoting "the local business community, which is their main political base" (Interview 5). This represented "a good fit" with the mission of NSR, thereby allowing the project to "pick up speed" (Interviews 1, 12) and obtain larger budget allocations.

The third inflection point was of contextual character and provided by a set of "major political issues that dominated the political agenda" within the transport ministry in the late 1990s and early 2000s (Interviews 10, 11, 12). Several crisis events and major investment projects related to the development of a new

main airport and high-speed rail line, the Gardermoen project (NOU, 1999), meant that the minister of transport and NPRA directors were "preoccupied with greater things" (Interviews 2, 11). The NSR leadership exploited these events to position NSR as a "small sweet in the candy box" (Interview 2). The success of this strategy is confirmed by politicians referring to the project as "the icing on the cake" (Minister of Transport and Communications Liv Signe Navarsete, Parliamentary question 3, 2007–2008) and "spices" (Interview 10).

Throughout each of these inflection points, the NSR leadership made extensive use of both verbal and visual accounts to develop its organisational stories and myths. Several informants explained how NSR leadership was very active in developing "a process to explain what we are trying to achieve" (Interview 4, also interviews 1, 7, 8). This myth development process included numerous town-hall meetings and workshops as well as large-scale opening ceremonies and the development of an extensive picture depository (Interviews 1, 2, 4, 5, 7, 8). The latter has been central to managing NSR's online and offline presence (including a worldwide travelling exhibition). Our evidence indicates that the visual aspect was particularly important for NSR leaders in developing the project's "collective story". In fact, its 16-strong staff in 2016 – which is small within the 6500-strong NPRA – included at least six positions related to photography/films, maps, and brochures, (online) media and profiling, and news dissemination (Interview 1). We return to NSR's internal and external communication strategy below.

Finally, and consistent with Proposition 1, many of our informants made explicit references to how leaders' characteristics informed the mental model of the organisation. This relates first of all to their professional background as architects or engineers, which might be expected given the nature of the NSR project (Interviews 4, 13). However, it also included references to leaders' hobbies and personal interests, such as being a "jazz musician", a "nature lover", or "caring about other things than just asphalt" (Interviews 1, 2, 4, 5, 8). It should be observed here, however, that not all leaders within NSR stood out as institutional leaders. Based on our interview data, two individuals can be singled out as institutional leaders, due to their connection with the creation of the new practice and the development of supporting mechanisms to increase its legitimacy: i.e., the initiator for NSR's pilot project, and her successor as manager of the NSR programme.

Task 2: Develop supporting mechanisms to increase legitimacy of the organisation

Proposition 2 maintains that institutional leaders bolster the legitimacy of their organisation or practice through strategic communication and impression management. Consistent with this proposition, our data show that internal and external communication strategies have been a key aspect of the NSR project since its formal approval by the Norwegian government in 1997–98. One of our informants stated, for instance, that "in the period I stepped down and he took over [in 1998 the authors], he told me 'I need people who can communicate this' and asked me to arrange a communication advisor" (Interview 4). Hence, already at the very start of the project, NSR leadership made the conscious decision to hire a communication advisor to "sell" the idea (Interviews 1, 4, 5, 8, 13). Our interviews furthermore indicate that NSR leaders took a broad approach in their communication strategy by targeting audiences "within NPRA (…) and at external collaboration partners, municipalities and politicians" (Interview 2).

Interestingly, given the wide variety of framing within the project – i.e., broadly classified by our informants as "district politics", "cultural politics" and "tourism" – the exact messages appear to have been tailor-made to the audience at hand. In communications to NPRA and the ministry of transport, "increased activity, tourism, experience (…) was part of the argument around this" (Interview 12). One informant stated that "we were never modest (…) and put forward that this here means something" (Interview 5), while another stressed NSR leader explained "why this actually yields gains in the long run" (Interview 8). This was deemed important in order to "sell this to the top of the NPRA and in the [Norwegian Parliament's] transport committee" (Interview 13). In contrast, communications to collaboration partners in regional and municipal governments were more about explanation: "So then we had to go in to present the idea and explain. (…) We have spent considerable time explaining" (Interview 1, also Interview 4). The strategically chosen content of these verbal and non-verbal accounts was explicitly noted by several informants. One stated: "They still *call it* tourism without it having had [any tested effects]" (Interview 13; our italics). Another informant added that "the challenge is when you do something within the transport sector that was not a top priority in the regular budgets. Then you could *fit it in via other things*" (Interview 12; our italics).

NSR leadership also adopted a second approach to gaining legitimacy. In line with Selznick's (1957) notion that support from a diversity of forces creates a unifying effect, the NSR team took steps to stimulate interest as well as a broad feeling of co-ownership among local governments. On the one hand,

an "open invitation" was sent to all regions and municipalities for suggestions about potential routes (Interviews 1, 4, 5). On the other hand, "coordination groups were established for each scenic route" (Interview 1). These provided a formal venue for regular "contacts and dialogue with collaboration partners" within the regions, municipalities, and the tourism sector (Interview 2, also Interviews 1, 7). Yet, both elements were – at least in part – only strategies to increase the legitimacy of the newly institutionalised practice. Indeed, the final decision about each scenic route lay firmly and exclusively with NSR leadership (Interviews 1, 4, 7, 9, 12), while the "coordination groups" were in practice more about information-provision than input-solicitation (Interview 4, 7).

Task 3: Defend against threats and overcome external enemies

Our third proposition holds that institutional leaders defend against the death of their organisation through anchorage, structural decoupling, and workforce stability. The first of these strategies was particularly aimed at securing financial resources. This is critical for any long-term project, and for NSR it required inclusion into Norway's National Transport Plans (Interviews 1, 12). The "National Transport Plan is extremely important to achieve progress and a long-term perspective on projects" (Interview 10, also Interview 11). With the explicit support of "the top manager who managed it here with NPRA" (Interview 1; also Interviews 4, 5), NSR leadership already achieved this in the late 1990s – while political leaders were preoccupied with several larger projects and crises (see above) (Interviews 10, 11, 12). As most political debates concerning later iterations of the transport plan "are about getting in new projects" (Interview 10) rather than the persistence of ongoing ones, this provided a firm mooring for the NSR project.

Decision–making autonomy is important to obtain power and leverage relative to competing organisations and practices. Our findings suggest that the National Transport Plans played an important role also in this respect, since it explicitly awarded NPRA the "full authority to develop a project with national tourist routes" (Minister of Transport, Dokument nr. 15:935 (2003–2004)). Furthermore, it allowed the NSR project to set up "its own board that makes its own decisions within certain limits" (Minister of Transport, response to parliamentary question (2007–2008)). Yet, the NSR leadership made a set of decisions that bolstered its autonomy also *within* the NPRA. They not only deliberately chose to operate "a little on the side-lines of the rest of the NPRA" (Interview 7), but also "saw it as natural that [the group developing NSR] should not be part of the NPRA headquarters in Oslo" (Interview 5). The NSR was structurally decoupled from the NPRA and located at a substantially physical

distance from the mother organisation (roughly 200 kilometres). Furthermore, the NSR leadership maintained a strict policy of in-house production to gain control over *all* aspects of its decision-making process. As one informant put it, the "organisation deals with everything from screws and bolts to reports to the Norwegian Parliament" (Interview 1).

Finally, the NSR project is characterised by a very high level of stability among its staff. The current managing director has been in this position since 1998. Many of his closest collaborators were not only "hand-picked" (Interview 5, also Interviews 1, 4), but have likewise been part of the project for much more than a decade. Furthermore, members of the project's advisory boards are often personally selected by NSR leadership (Interview 1) and remain in their positions for many years.

KEY LESSONS FOR LEADERSHIP IN UNSETTLED CONTEXT AND UNDER PUBLIC-PRIVATE HYBRIDITY

By examining the leadership *of* organisations, our study aimed to bring Selznick's (1957) conception of the leader-statesman back to the forefront of institutional analysis. Doing so provides an important contribution to the literature on institutional entrepreneurship (Di Maggio, 1988; Suddaby & Greenwood, 2005; Weik 2011) and institutional work (Kraatz, 2009; Lawrence & Suddaby, 2006). Our main findings more specifically reveal how the key tasks of institutional leaders are integral to both institutional continuity and change even within a highly institutionalised setting.

Firstly, we show that institutional leaders exploit strategic inflection points as windows of opportunity (Boal & Hooijberg, 2000; Grove, 1997) to create institutional *change* (in the form of the NSR programme). Two of the strategic inflection points uncovered thereby relate to changes in the political environment, which highlights the important interaction and relationship between politics and public administrations uncovered in previous work (e.g., Jacobsen, 1964; Jacobsen, 2006 & 2018). We also show, however, that leaders exploit these inflection points by communicating their new organisational visions through organisational stories and myths (Meyer & Rowan 1977). These accounts are thereby infused with leaders' own personal experiences – particularly by the two leaders acting as strong "evangelists" (in the sense of Patterson, 2007) – as a way to impart "their own meaning and sense-making onto the organization" (Washington et al., 2008, p. 727). NSR was in these accounts often framed as "the goody bag" that could be promoted internationally as a means of soft diplomacy and reputation building. Myth-building thus allowed gaining external legitimacy for this new and divergent practice within an otherwise traditional

and conservative transport sector. These findings are consistent with a "strategic perspective emphasizing how legitimacy can be managed" (Deephouse & Suchman, 2008, p. 52; see also Suchman, 1995), and corroborate that "subjects of legitimation" "may be active in creating legitimacy" rather than remaining passive bystanders in this process (Deephouse & Suchman, 2008, p. 54). Moreover, they highlight that institutional leaders often utilise socially acceptable procedures to conduct potentially controversial activities – such as introducing a new and divergent practice – and manage the impression that it is legitimate (Washington et al., 2008, p. 728).

Secondly, we find that institutional leaders reinforce the institutional *continuity* of the newly developed practice (i.e., the NSR programme) by developing internal and external supporting mechanisms and setting up defences against the end of this practice. This institutional work aims to ensure stability to institutionalise the new practice and compete for primacy in the institutional field (Lawrence & Suddaby, 2006; Washington et al., 2008), and took three main forms in our setting. First, NSR leadership strategically and forcefully advocated the inclusion of NSR into the first National Transport Plan of 1998 in order to secure legitimisation and long-term predictability for the project. Second, NSR leaders established a separate organisational unit geographically located at a physical distance from the NPRA headquarters. As suggested in previous studies (Egeberg & Trondal, 2009a, b; Elston, 2014), this structural decoupling emphasised NSR's independence and secured decision-making autonomy that sustained the institutionalisation of the new practice. It also provided the opportunity for NSR's leadership to handle both continuity and change. Finally, a high degree of workforce stability within the NSR team was maintained, which benefits strong socialisation of organisation members (Murdoch et al., 2019; Saks & Ashforth, 1997; Selznick, 1957). These three elements were very important for the institutionalisation of the new practice, and the concomitant deinstitutionalisation of previous practices (in the sense of Oliver, 1992). As such, they can be added to Oliver's (1992, p. 563) "set of organizational and environmental factors that (…) determine the likelihood that institutionalized organizational behaviours will be vulnerable to erosion or rejection over time". More specifically, our findings suggest that the political skills of institutional leaders – as reflected, in our setting, in different narratives targeted to distinct audiences, or adjustments made to accommodate the political situation in the Norwegian parliament – are particularly important in (de)institutionalisation processes. This observation directly reflects institutional leadership's inherently political nature (Selznick, 1957). It is suggestive not only of the tense balance of power between public administrations and politics, but also highlights that the administration can often be viewed as a political actor in its own right (Jacobsen, 1997).

Our case involved a very large number of public and private sector stakeholders. To achieve their aims, institutional leaders within NSR were thus required to engage in extensive collaborative governance efforts. Furthermore, these requirements grew over time. While the extension of the NSR programme in 1998 increased the number of involved stakeholders, the period of NPRA's reorganisation and decentralisation between 2003 and 2016 also increased the need for NSR leaders to engage in coordination with local and regional actors to explain the rationale of the programme. The Norwegian Administration Reform from 2010 likewise heightened the need for institutional leaders with political skills to engage in extensive coordination and anchorage, both within NPRA and with local government collaboration partners (municipalities and regions). Overall, these developments provide a backdrop that allows us to illustrate how institutional leaders make sense of their environment and how they operate within an unsettled and inherently political setting (Selznick, 1959), as well as how they tackle the more complex and diverse context of public-private collaborative hybrids (Jacobsen, 2015 & 2019).

Taken together, our findings stress that Selznick's conception of institutional leadership deserves more in-depth scholarly attention in future research. Building on Jacobsen's (2015 & 2019) work highlighting the importance of "publicness" as an antecedent of transformational leadership, one way forward could be to also focus more attention on this notion of publicness to institutional leadership. As institutional leaders operate in increasingly diverse and hybrid environments with characteristics of both the public and private sectors, one might indeed ask how degrees of "publicness" affect institutional work and the institutional leadership (i.e., is this type of leadership equally prevalent in public and private organisations? Why (not)?). Moreover, this relationship between publicness and institutional leadership need not be direct. It might well be mediated by important structural and demographic factors including bureaucratisation, professionalisation and gender composition (as illustrated in Transformational Leadership by Jacobsen, 2015). Addressing such questions in our view offers a fruitful avenue for further research and would provide important new insights about the leadership *of* organisations.

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CHAPTER 6

Prosocial motivation and local political leadership

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ABSTRACT

Investigating the associations between five leadership indicators, public service motivation (PSM), and sense of community responsibility (SOC-R), this chapter integrates insights from Public Administration and Community Psychology into the study of local political leadership. We ask how PSM and SOC-R are associated with (present and potential future) formal positions among local councillors and their behaviours in these positions. We answer this question based on a nationwide survey of Danish local councillors (n = 946). The key findings are that PSM is associated with having a formal leadership position (mayor or committee chair) in the present election term, while SOC-R is associated with the intention to run for re-election, transformational leadership, and the use of verbal recognition. Neither PSM nor SOC-R is associated with consensus building. Our findings suggest that PSM and SOC-R are both relevant for local political leadership, but that other factors (e.g., membership of the dominant coalition and perceived influence) should also be considered.

Keywords: political leadership, local government, public service motivation, sense of community responsibility.

INTRODUCTION

Both political leadership behaviour and the context in which it takes place are important for goal attainment in public organisations (Jacobsen & Thorsvik, 2019). Other chapters in this book address how local government institutions are organised and governed, so this chapter focuses on local political leadership in a given context. Inspired by insights from Public Administration and Community Psychology, we analyse the associations between prosocial motivation and political leadership behaviours. This is also relevant for the relationship between politics and administration because several of the investigated political leadership behaviours are directed towards the administration.

Public Administration scholars normally study administrative leaders such as agency heads or school principals, but their insights are also relevant for elected leaders' leadership behaviours. Antonakis and Day emphasized that leadership takes place in a particular context when they define it as "a formal or informal contextually rooted and goal-influencing process that occurs between a leader and a follower, group of followers, or institutions" (2017, p. 6). This is especially relevant when examining local political leadership because the elected members of local councils exert influence in their own local communities.

Until recently, public choice theory largely monopolized the motivational understanding of politicians, portraying them as extrinsically motivated (Strøm, 1990). The focus of public service motivation (PSM) research (Perry & Wise 1990; Ritz, Brewer & Neumann, 2016) on *employed* personnel means that researchers have largely overlooked the crucial role of prosocial motivation for *elected* public leaders. PSM can be defined as "an individual's orientation to delivering services to people with a purpose to do good for others and society" (Perry & Hondeghem, 2008, p. 7). Prosocial motivation, meanwhile, can be defined as the desire to expend effort to benefit other people (Grant, 2008, p. 48), and hence encompasses both employed personnel and elected leaders. It is a serious limitation that PSM does not include elected political leaders. Political leaders often face harsh working conditions, including long working hours and pressure (Bhatti et al., 2017; Bhatti et al., 2016). Furthermore, local elected politicians are formal leaders with great responsibility and considerable power, depending on their position in the council (Jacobsen, 2006). Hence, prosocial motivation is relevant to understanding local political leadership behaviours. This points out the need for a scientific agenda on the motivation and leadership of politicians. This chapter thus begins to study the motivational forces behind political leadership. More specifically, we investigate the associations between five leadership indicators, PSM, and sense of community responsibility (also known as SOC-R), which is the "feelings of duty and obligation to take action to advance the well-being of a specific group and its members that is not directly rooted in an expectation of personal gain" (Nowell et al., 2016, p. 665).

FIGURE 6.1: Five investigated behaviours

As illustrated in Figure 6.1, local politicians have different occasions to step up. Immediately after an election, they can try to become a committee chair or even mayor. As an ordinary member, chair, or mayor, they can exert different types of leadership behaviour. Do they set direction through a clear vision, recognize their (administrative) followers' efforts and results, and/or build consensus in the municipal council? Toward the end of their term, they decide whether they

are willing to seek re-election. Some of these indicators have been studied for administrative leaders. Setting direction and recognizing efforts and results can be seen as forms of transformational and transactional leadership (Jensen et al., 2019). Not seeking re-election resembles a turnover intention (Podsakoff et al., 2012). Consensus building is a specific political leadership behaviour, which is central to the accumulation of political capital and decision-making power (Kjær, 2013; Mouritzen & Svara, 2002).

Inspired by numerous Public Administration and Community Psychology scholars (Moynihan et al., 2012; Andersen et al., 2014; Nowell et al., 2016), we focus on two types of prosocial motivation: PSM and SOC-R. Local politicians live in the municipality and invest time and effort in political work to affect the public service provision in a particular community, suggesting that SOC-R is relevant. While SOC-R, as mentioned above, pertains to feelings of duty and an obligation to take action to advance the well-being of a specific group and its members (Nowell et al. 2016, p. 665), PSM is a more general aim to do good for other people through public service provision. Given the extensive literature on public managers' PSM (e.g., Moynihan et al., 2012), including PSM in the analysis enables us to reflect on similarities and differences between political and administrative leaders. This means that key concepts from both the public leadership literature (e.g., Vogel & Masal, 2015; Chapman et al., 2016; Van Wart, 2013) and the literature on power relations in local councils (e.g., Berg & Kjær, 2007; Kjær, 2015; Mouritzen & Svara, 2002; Stone, 1989) are relevant.

We study both formal positions and behaviours within these positions. Positions include whether local politicians have succeeded in having a leadership position in the investigated electoral term and whether the individuals are willing to seek re-election to a political position in the future. Three behaviours within these positions are especially relevant: transformational leadership, verbal recognition, and consensus building. The theory section discusses the expectations and relevant background variables when studying the associations between the two motivational constructs (PSM and SOC-R) and the five leadership indicators. Our goal was to find out what motivates individuals to "step up", assume political leadership positions in local communities, and behave as leaders in such positions. More specifically, the research question is:

How are PSM and SOC-R associated with (present and future) formal positions among local councillors and their leadership behaviours?

The empirical data emanate from a nationwide survey of local councillors in Denmark. This country was selected because the 98 Danish municipalities are highly comparable in terms of areas of responsibility and fundamental institutions. Our unique dataset allowed us to understand variations in elected politicians' leadership based on their prosocial motivation (PSM and SOC-R).

The next section presents the key concepts and develops expectations concerning the associations between these. This is followed by descriptions of the data, methods, and results and finally a discussion and conclusion with suggestions for future research.

LEADERSHIP EXERTED BY ELECTED COUNCILLORS LINKED TO THEIR MOTIVATION

Below, we discuss first how politicians can express their goals and visions (transformational leadership) and communicate with the administrative level (verbal recognition). We then explain why consensus building is a central feature of political leadership, linking this to a discussion of the institutional context and the relevance of different positions (chair/mayor and re-election). Finally, we present our expectations of the associations between these leadership indicators and the two types of prosocial motivation.

POLITICAL LEADERSHIP INDICATORS

Our choice of transformational (also sometimes called visionary) leadership as one of our investigated leadership behaviours is in line with many different parts of the existing literature. Dag Ingvar Jacobsen (2015, p. 29) argued that leaders in high publicness contexts have prosocial motivation and that this factor increases the use of transformational leadership. His empirical analysis of 2488 Norwegian leaders confirmed that prosocial motivation and transformational leadership are positively associated. Paul t'Hart (2014, p. 23) argued that politicians construct identities and select public policy goals, whereas administrators (among other behaviours) direct public organisations and make government work on the front line. Politicians construct identities by weaving credible narratives about *who* and *what* they embody (t'Hart, 2014, p. 23). These narratives are based on values, and the politicians continuously clarify what they see as desirable. Their articulation of policy can thus be seen as an ongoing description of an attractive future; in other words, a vision. Grint argued that "visions are designed through the imagination … they are paintings, not photographs" (2000, p. 28). This is about inspiring confidence, motivation, and a sense of purpose in followers through the articulation of a clear vision for the future; here, the leader's own enthusiasm and commitment to the goals are important. This facet of leadership is well captured by the visionary element of transformational leadership.

The concept of transformational leadership was originally applied to political leadership (Burns, 1978), but has subsequently been used extensively to study

administrative public leadership (Vogel & Masal, 2015). We follow the recent focus on the visionary aspect (Van Knippenberg & Sitkin, 2013; cf. however Bass, 1998), which conceptualizes transformational leadership as "a set of behaviours that seek to develop, share, and sustain a vision intended to encourage employees to transcend their own self-interest and achieve organizational goals" (Jacobsen & Andersen, 2015, p. 832). Transformational leadership can be undertaken both individually (especially for mayors and committee chairs) and collectively (the whole council).

This is also the case for the second type of leadership behaviour: *verbal recognition*. The traditional leadership literature (e.g., Bass, 1985, 1998) differentiates between several types of transactional leadership involving different ways to reward or sanction followers according to their contributions to organisational goal attainment. Very few local councillors can use material rewards and sanctions in relation to managers and employees in their municipality, but they are all able to express support and give positive feedback. To capture a transaction-oriented type of leadership (Andersen et al., 2018), we include verbal recognition, understood as the politicians' expressions of support, trust, and positive feedback toward administrative leaders and employees who have achieved good results and/or exerted high levels of effort. This corresponds to t'Hart and Tummers' (2019, p. 51) argument that politicians can make civil servants do their utmost to further the politicians' causes by keeping their part of the "public service bargain" by using the fair stewardship of the conditions and rewards of the public service. Because we want to have a broad conceptualization of the local councillors' behaviour related to the communication with administrators, we include: (a) individual verbal recognition behaviour, (b) support behaviour as part of the council, and (c) the councillors' general expressions of trust toward the administrative level.

t'Hart and Tummers (2019, p. 51) argued that a key task for politicians is to build winning political coalitions and protect them over time. In a local government context, Kjær (2013) argued that especially mayors must form alliances and build consensus to reach their political goals. We therefore include *consensus building* (whether individual councillors seek broad consensus) instead of the norm of consensus, which, according to Kjær (2013, p. 262), characterizes the entire Danish local political realm.

Consensus building has been theorized as a process whereby actors seek to accumulate political capital (Banfield & Wilson, 2017; Berg & Kjær, 2007; Kjær, 2013), which is seen as a power credit. If political actors view the outcome of the political process as successful, they endow the local political leader with political capital. The local political leader can then invest and use the influence gained to have a say on policy formulation and implementation (Kjær 2013,

p. 265). This capital can also be re-invested in future decision-making. Thus, building consensus is a core feature of gaining long-term political influence and hence it is linked to tenure and position in the councils. Given that qualitative case studies indicate that it is learnt on the job (Berg & Kjær, 2007), consensus building is expected to be associated with holding a formal position and tenure, rather than to a particular type of motivation. It is thus seen as a role behaviour based on a logic of appropriateness, which is embedded in the particular institutional context in the local councils (see March & Olsen, 1989). While prosocial motivations are important in order to understand why people take on a social responsibility and a leadership position, we expect the institutions in the democratic assembly to sustain consensus building as the appropriate behaviour if political capital is to be accumulated.

The institutional set-up of Danish local councils specifically supports consensus building as an appropriate behaviour. The weak mayoral system formally vests decision-making authority in the town or city council, similar to the U.S. council-manager system (Mouritzen & Svara, 2002). In principle, power is in the hands of the local council, but things are more complex in practice, since the real executive power is shared among the council, the standing committees, the finance committee, and the mayor (Kjær, 2013). The councillors receive committee assignments according to proportional representation, which helps secure a broad representation of diverging political interests. The committees also have decision-making competencies over the daily administration of their particular area (Berg, 2004). Thus, the local councillors are responsible for a sector in cooperation with fellow councillors from other political parties. This, in turn, institutionalizes a consensus-building process that cuts across party lines (Berg & Kjær, 2007; Kjær, 2013, 2015).

In this setup, the power struggle does not concern control and resistance, but instead concerns gaining and accumulating the capacity to act; that is, "the power to" rather than "the power over" (Stone, 1989, p. 229). In this view, influence is based on the interactions in the council. Councillors are not only potential rivals on election day, but also potential allies in devising processes and shaping goals (Stone, 2012). They can seek to obtain influence on different aspects of political life, including both agenda-setting and decision-making (Pedersen, 2014, p. 891). While this perspective points to influence as more than a formal position, formal position still matters. The formal positions *within* the council vary between local councillors, committee chairs, and mayors; and the higher in the hierarchy, the greater the influence that is vested in the formal position.

This is highly relevant for leadership behaviour in relation to *future* positions. In a healthy democracy, the electorate decides on Election Day who will

be part of the council. Yet politicians can also retire voluntarily, for example, be unwilling to be re-elected. If politicians retire voluntarily in large numbers, this can become a democratic problem. While some politicians retire for various practical or personal reasons (e.g., because they move to another municipality, or simply due to age), it is highly relevant to examine politicians' perceived influence (on agenda-setting as well as decision-making), because it is plausible that politicians without influence would be less willing to be re-elected.

POLITICIANS' MOTIVATION

Existing research indicates that the most important similarity between political and administrative elites is their wish to contribute to, improve, and/or serve society (van der Wal, 2013, p. 753–4). Pedersen (2014) also found that PSM is relevant for local councillors as a specific group. Given that their jurisdiction covers the local communities in which the councillors also live, it is relevant to include SOC-R. We are not claiming that financial gain, re-election, or power are unimportant, but that the incentives vary based on the size of the municipality and that these aspects have been investigated elsewhere. Below, we highlight the key similarities and differences between PSM and SOC-R (the relationship between the two concepts has been analysed in more detail elsewhere, using the same dataset as this chapter; see Pedersen et al., 2020).

As mentioned, PSM can be defined as "an individual's orientation to delivering services to people with a purpose to do good for others and society" (Perry & Hondeghem, 2008, p. 7), whereas SOC-R is a "feeling of duty and obligation to take action to advance the well-being of a specific group and its members that is not directly rooted in an expectation of personal gain" (Nowell et al., 2016, p. 665). The key difference is that while PSM is general, SOC-R is linked to acting in relation to a specific group. It thus has a specific recipient (the community and its members), while PSM is oriented toward others and society in general. SOC-R is specifically act-relevant (meaning that individuals feel personally obligated to do good for others, cf. Le Grand, 2003), while PSM can encompass act-relevant as well as act-irrelevant aspects. This suggests that PSM is linked more strongly to holding a formal position, as the motivation to do good can be exercised through the behaviour of others when a person holds a formal leadership position. The act-relevance of SOC-R suggests that this type of motivation is more strongly associated with behaviour involving working with others, such as verbal recognition. There are also similarities between PSM and SOC-R. The literature of both these outline feelings of duty, obligation, and commitment to others as important and are grounded in pro-

cess-type theories emphasizing the role of institutional norms, values, and beliefs (Nowell & Boyd, 2010; Perry, 1996).

In line with these arguments, PSM can be acted upon in many different contexts, depending on the societal impact potential (Andersen & Kjeldsen, 2013), while the community is a source of energy and motivation in the SOC-R literature (Brincker & Pedersen, 2020). A municipality comprises a geographical community (as is the case in this chapter), but communities can also be relational and even virtual. While PSM is rooted in a general calling to public service, sense of community is thus relational and linked to the willingness to engage to achieve group goals within a specific community setting (Nowell & Boyd, 2010; Nowell et al., 2016).

EXPECTED ASSOCIATIONS BETWEEN MOTIVATION AND LEADERSHIP

In terms of taking on leadership positions, it is plausible that high PSM individuals more actively seek to become the mayor and committee chair, and that PSM is activated when individuals have these positions as it allows them to do good for others and society (Pedersen, 2014). This implies a positive association between position and PSM. For similar reasons, SOC-R is expected to be associated with leadership positions in the council: mayors and committee chairs can better advance the well-being of the community and its members.

Transformational leadership behaviour is expected to be highly relevant for individuals with both types of prosocial motivation. This connects back to the shared background in duty, obligation, commitment to others, and the strong emphasis on values highlighted in both literatures. Transformational leadership is a way to convince others about your own understanding of "what is desirable", which is relevant for both high PSM individuals and those with high SOC-R. Articulating a vision does not necessarily mean that the vision is limited to the geographical area; municipalities can also have visions about their contribution to global sustainability.

Verbal recognition is most relevant for SOC-R because it builds on (personal) relationships with others within the community, but it can also be relevant for high PSM individuals if they hold leadership positions. A leader with high PSM might use verbal recognition to promote their prosocial goals. Still, the expectation is not as strong as for the expected association between SOC-R and verbal recognition, and the (positive) association between PSM and verbal recognition is therefore in parentheses (consult Table 6.1).

Concerning consensus building, we do not expect PSM or SOC-R to be positively associated with councillors' attempts to build consensus. Consensus building is a role-driven behaviour, which is based on a logic of appropriateness

institutionalised in the political assembly in the local councils. It accumulates political capital and is important to make the coalition stick together. Therefore, consensus building is expected to be linked to formal position, tenure and being part of the coalition, rather than to individual motivational factors.

Both PSM and SOC-R can be relevant in the intention to run for re-election. The association might be stronger for SOC-R than PSM, because SOC-R is highly act-relevant, whereas PSM can be both act-relevant and act-irrelevant. In this chapter, we investigate SOC-R as being tied to (and created in) the municipality, while high PSM can manifest in many other contexts, because the type of prosocial motivation is more general. Given that re-election will still provide a platform for doing good for public service motivated individuals, the positive association between PSM and the intention to run for re-election is shown in parentheses in Table 6.1.

TABLE 6.1: Theoretical expectations

Types of political behaviour (leadership indicators)	**Expected association with PSM**	**Expected association with SOC-R**
Taking on leadership positions	Positive	Positive
Exerting transformational leadership	Positive	Positive
Offering verbal recognition	(Positive)	Positive
Building consensus	No expected association	No expected association
Intending to run for re-election	(Positive)	Positive

DATA AND METHODS

Data was collected in January 2019 as part of survey data collection focused on motivation and leadership behaviour among local councillors in all 98 municipalities in Denmark. These local authorities are the lowest level of formal government and have multiple functions (e.g., eldercare, schools, and garbage collection, for more details see Blom-Hansen & Heeager, 2011). The local council members are elected to four-year terms, and the number of councillors (9–55) depends on the municipal population. Each council has a number of standing committees (typically around five, but often more for large municipalities and fewer for small municipalities). The chairs and mayor are selected for the entire election term, typically as part of a coalition agreement immediately after the election. The data was collected in an email-based questionnaire sent to all 2,463 local councillors. A total of 946 council members responded (38% response rate), which is slightly higher than similar e-mail-based studies (Bhatti et al., 2017).

A non-response analysis shows an overrepresentation of mayors and councillors who are not part of the dominant coalition, while characteristics such as gender, party, region, and municipality are balanced. The overrepresentation of mayors is an advantage for the study's validity given how the analysis focuses on the associations between political leadership and motivation, and the overrepresentation renders the mayor-related results more robust.

LEADERSHIP INDICATORS: POSITIONS AND THE BEHAVIOUR WITHIN THESE POSITIONS

Formal leadership position varies from being an ordinary member to a committee chair to mayor. It is an ordinal scale variable given that the strength of the position clearly increases from ordinary member to committee chair to mayor (all mayors are also finance committee chairs). Formal position is self-reported, but we expect the measure to be valid as it is a factual question. To obtain information regarding the councillors' intention to run for re-election, we asked them whether they intended to do so in the next municipal election. We know that the answer is hypothetical inasmuch as we asked in January 2019 about a decision which would be made in the summer of 2021 for the elections to be held in the autumn that year. Still, the question captures the *willingness* to take on a future position in a valid way.

Transformational leadership is a self-reported measure of the extent to which the councillor specifies a vision and sets direction as part of the local council. The measure is inspired by Jensen et al. (2019). An example of the three items (see Table A1 in the online Appendix) agrees with the following statement: "As a member of the local council, I contribute to specifying a clear vision for the future of the municipality." Cronbach's alpha is satisfactory for the index constructed based on the three items (0.69).

Verbal recognition is a self-reported measure of the extent to which the councillors report three types of recognition of managers and employees in their communication with the administrative level in the municipality. Three items (see Table A1) measure positive feedback, support, and trust. An example is the agreement with the statement, "As part of my committee work, I contribute to giving the top managers positive feedback if their functional area performs well." Cronbach's alpha is acceptable for the index constructed based on the three items (0.64).

Consensus building behaviour is measured using seven self-reported questions about the extent to which the councillor works to build consensus in the local council. As mentioned, we are not trying to capture a consensus norm (typically measured using questions such as "The most important decisions in

the council are taken in unanimity" [Houlberg & Pedersen, 2015, p. 85]). Instead, we seek to measure the individual engagement with building consensus. An example of the items we use to measure consensus building (all of which are listed in Table A1) is "In my local council, I work toward achieving a majority consisting of as many of the represented parties as possible." Cronbach's alpha is highly satisfactory for the index constructed based on the seven items (0.76).

PROSOCIAL MOTIVATION

PSM is measured using a five-item global measure (see Appendix A), which is an abridged version of the original PSM measure (Perry, 1996). It would have been preferable to include different dimensions to be able to investigate how the dimensions (i.e., attraction to public policymaking, commitment to the public interest, compassion, and self-sacrifice) relate to leadership behaviours. We had to limit the number of items in the survey, but a more comprehensive measure of PSM could be included in future studies. A similar abbreviated measure has been used and validated in multiple studies (Kim, 2017; Wright et al., 2013). Cronbach's alpha is 0.81, which is highly satisfactory (see also online Appendix Table A1).

SOC-R is measured using the items developed by Pedersen, Andersen, and Thomsen (2020), which are adapted from the items used by Boyd and Nowell (2017) and Nowell et al. (2016). Importantly, the original SOC-R items use "partnership" as the community setting, while the present survey uses "municipality". The specific wording of the items can be found in Table A1. The four survey items were summarized in an overall index, and the reliability analysis showed a relatively good scale consistency (Cronbach's alpha = 0.67).

METHODS

We use multiple regressions to test all the expectations (OLS, ordinal, or logistic regression, depending on the measurement scale of the leadership indicators). As such, we are analysing associations, not causal effects, and our use of regression analysis means that we specify the five aspects of political leadership as the dependent variables, while PSM and SOC-R are independent variables. We find this sequence most plausible, but we are also aware that the causal direction could be different. Causality is obviously interesting, but it demands at least panel studies and preferably quasi-experimental designs to identify effects when the variables can plausibly affect each other both ways. Importantly, we expect one of the indicators, namely formal position, to be potentially important for the other four indicators, because councillors' positions are relevant for the

types of leadership behaviour they can use. We therefore include a model with control for formal position.

We include several variables in the analysis to avoid spurious associations (see Table A1 in the online Appendix for specific operationalisations). Most importantly, we present analyses of re-election intention both with and without influence, because it can be an important (but potentially endogenous) factor. The index (with six items) captures influence on both agenda-setting and decision-making and has a satisfactory Cronbach's alpha (0.81). All models control for age, gender, education level, size of the municipality (number of citizens), tenure (number of periods served in the local council), and whether the councillor is a member of the dominant coalition. The last two variables are potentially endogenous, but the coefficients for PSM and SOC-R are similar regardless of whether they are included (see the online Appendix).

Three of the leadership indicators and both types of motivation are subjective, self-reported measures, which renders potential common source bias a serious concern, especially because there is reason to be concerned that some of the items may be subject to social desirability bias, which can lead to false positives (Meier & O'Toole, 2013). This is the rationale for referring to association rather than effects.

ASSOCIATIONS BETWEEN PSM/SOC-R AND THE FIVE ASPECTS OF POLITICAL LEADERSHIP

The results are presented in the six models in Table 6.2. Models 2.1 to 2.5 analyse each of the leadership indicators, while Model 2.6 is an additional analysis of re-election intention including influence.

Model 2.1 (and Table A2 in the online appendix) shows that PSM is positively associated with formal position, while there is no significant association between SOC-R and formal position. This last result was not aligned with our expectation. One possible explanation is that all positions are part of the community and allow politicians to contribute to the community. However, previous research has found positive associations between SOC-R and formal leadership position (Nowell et al., 2016). Hence, more research is needed to clarify this result. Model 2.1 also shows positive associations between position and (1) membership of the dominant coalition and (2) tenure. Membership of the dominant coalition can facilitate the success of the individual in becoming mayor or a committee chair. Similarly, having experience in terms of a higher number of election terms in the council increases the chances of becoming mayor or committee chair. Controlling for tenure, age is negatively associated with formal position. If two local councillors have the same political experience,

the older one is less likely to have a formal position. This is because seniority is a driver of political career, while age is a driver of retirement.

Model 2.2 in Table 6.2 shows that SOC-R is positively associated with transformational leadership. This is the case for all alternative model specifications, while PSM is not positively associated with transformational leadership when SOC-R is included in the analysis (see Table A3 in the Appendix for details). In addition to SOC-R, transformational leadership is positively associated with membership of the dominant coalition and formal position. Mayors are most active for this type of behaviour, followed by committee chairs. There are indications that female councillors (controlled for position) use this type of behaviour slightly more than male councillors. These results supported our expectation of a positive association with SOC-R.

As expected, Model 2.4 shows that neither PSM nor SOC-R are associated with consensus building. The latter is positively associated with membership of the dominant coalition and formal position. Mayors are the most active with respect to building consensus, followed by committee chairs. Higher tenure seems to give more consensus building, while female councillors and councillors in large municipalities use less consensus building. In sum, consensus building was not related to individual motivational factors but embedded in the institutionalization of the formal positions in the council. Table A5 in the Appendix shows that the findings are robust in terms of alternative specifications.

Model 2.5 (and Table A6) shows that SOC-R is positively associated with the intention to run for re-election, while there is no significant association between PSM and re-election intention. Mayors have a significantly higher intention to run for re-election than all other councillors, and committee chairs have a higher intention than ordinary members. Model 2.6 indicates that this is at least partially due to their higher influence. Finally, high tenure and high age mean less intention to run for re-election, and male councillors have a slightly higher intention to run for re-election compared to their female counterparts. In sum, our analysis of the intention to run for re-election supported our expectation of a positive association with SOC-R, but went against our expectations regarding a potential positive association between PSM and the intention to run for re-election.

TABLE 6.2: Relationships between PSM, SOC-R, and leadership behaviours (unstandardized regression coefficients and standard errors in parentheses. See detail in Online Appendix Tables A1-A8 at: https://ps.au.dk/fileadmin/Statskundskab/CPL/Hjemmeside/online_appendix.pdf

	Model 2.1 Council position	**Model 2.2 Transformational leadership**	**Model 2.3 Verbal recognition**	**Model 2.4 Consensus building**	**Model 2.5 Re-election intention**	**Model 2.6 Re-election intention**
Type of regression	Ordinal regression	OLS	OLS	OLS	Logistic regression	Logistic regression
Gender (0 = female, 1 = male)	0.065 (0.172)	–0.022* (0.011)	0.012 (0.011)	0.022† (0.013)	0.498† (0.257)	0.448† (0.258)
Age (# years)	–0.028** (0.009)	–0.0003 (0.0005)	–0.001** (0.0005)	–0.001 (0.001)	–0.058** (0.017)	–0.056** (0.017)
Municipality size (# thousand citizens)	–0.003** (0.001)	0.00007 (0.00005)	–0.0001† (0.00005)	–0.0002** (0.0001)	–0.001 (0.002)	–0.002 (0.002)
Education	*Control for 10 education categories. See table note for details.*					
PSM (0–1, 1 = high)	1.205† (0.654)	–0.077† (0.041)	–0.044 (0.049)	–0.016 (0.049)	–0.859 (1.031)	–0.317 (1.019)
SOC-R (0–1, 1 = high)	0.365 (0.711)	0.319** (0.061)	0.283** (0.067)	0.049 (0.056)	2.163* (1.062)	1.459 (1.106)
Member of coalition (0 = no, 1 = yes)	1.946** (0.281)	0.045** (0.014)	0.036* (0.015)	0.046** (0.016)	0.050 (0.293)	–0.021 (0.302)
Tenure (# election cycles)	0.295** (0.045)	0.002 (0.003)	0.003 (0.003)	0.006† (0.003)	–0.129* (0.060)	–0.152* (0.063)
Position (Ref.: member) Committee chair Mayor		0.059** (0.013) 0.079** (0.019)	0.044** (0.011) 0.085** (0.018)	0.041** (0.015) 0.120** (0.023)	0.595† (0.306) 1.974** (0.725)	0.250 (0.314) 1.329† (0.722)
Influence (0–1, 1 = high)						2.992** (0.923)
Constant		0.600** (0.069)	0.641** (0.072)	0.584** (0.066)	3.156* (1.348)	2.110 (1.424)
N	728	728	728	728	595	595

Notes: †p < 0.1; *p < 0.05; **p < 0.01. Cluster robust standard errors (municipalities) in parentheses.

Dependent variables: Model 2.1: 0=ordinary member, 1=committee chair, 2=mayor, Models 2.2 + 2.3 + 2.4: Indexes scaled from 0 to 1. Models 2.5 + 2.6: No intent to run for re-election coded as 0. Intent to run for re-election coded as 1.

Independent variables: PSM, SOC-R, and influence are scaled from 0–1. Education is a categorical variable with the following categories: primary and lower secondary school, upper secondary school, vocational upper secondary education, vocational qualification, vocational

qualification and upper secondary school, short-cycle higher education, medium-cycle higher education, undergraduate/bachelor program, long-cycle higher education, and Ph.D.

DISCUSSION AND CONCLUSION

This chapter investigated how two types of prosocial motivation, PSM and SOC-R, are associated with leadership behaviour in Danish local councils. Transformational leadership is relevant to the municipality as a whole, verbal recognition is exercised toward the administration, and consensus building is relevant to leadership in the council. The results showed that PSM is associated with holding a formal position as chair or mayor and that SOC-R is associated with willingness to be re-elected, transformational leadership, and verbal recognition. Neither motivational construct is associated with consensus building.

The results highlighted the relevance of including both SOC-R and PSM in future studies of political leadership. PSM and SOC-R are both prosocial motivational forms, but they diverge in numerous ways. The key difference is that SOC-R captures the motivation linked to working for a geographically delimited community, and this is important when studying local political leaders, because local politics happens within a geographically limited area (a polity). The motivation to take responsibility for a community can be the foundation and steppingstone to becoming motivated to do good for others and society in general.

While PSM and SOC-R offer valuable insights to understanding political leadership behaviours, such as transformational leadership and accepting leadership positions, neither concept was associated with consensus building. Instead, we found that variations in coalition membership, position, and municipality size are linked to differences in the politicians' consensus building. This points toward the relevance of the institutional setup. Specifically, the institutions determine what it takes to accumulate political capital and decision-making capacity in democratic assemblies. If politicians are not only prosocially motivated but also seek votes and offices for self-interested reasons (Strøm, 1990), institutions such as electoral systems and party structures are highly relevant, because they determine whether behaviours such as consensus building contribute to self-interest maximization. Even for politicians motivated primarily by prosocial motivation, re-election can be important to realize long-term goals, and perceived influence is important for re-election intentions, suggesting that political leaders need to feel that they make a difference in order to be willing to continue their political work.

The larger claim is, therefore, that future studies of political leadership should include different motivational factors, pay attention to the interaction between motivation and institutions, and maintain the focus on classical factors

such as perceived influence. Democratic institutions must be taught, learned, and re-institutionalized continuously, and this chapter illustrates that prosocial motivation is relevant for politicians' willingness to continue doing that. Both the general motivation to do good for others and society and the more specific commitment to a community should thus be taken into account in future research and in practical arrangements aimed at facilitating coherent local political leadership.

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CHAPTER 7

Ambiguity with a purpose. The county governor as a multilevel actor, shaping the Norwegian Local Government Reform

Anne Lise Fimreite and Yngve Flo

ABSTRACT

This chapter describes how the Norwegian Local Government Reform was coordinated across government levels from the time of its inception (Spring 2014) to when the recommendation on the alterations in the municipal structure was presented (Autumn 2016). Our main focus is the role of the 18 county governors in the process. The Norwegian county governors are civil servants with a strong position as mediators and liaisons between central and local levels. Their role is differentiated according to variations in needs and aspects in their county. During the reform process, the county governors were given a two-fold designated role, as: 1) guides for local processes that could lead to mergers between municipalities, and 2) nominators of which specific municipalities the Parliament should decide to merge. They did not receive a concrete mandate on how to handle this double role, and each county governor interpreted the role differently. Based on rich qualitative material, we present empirical evidence of the different interpretations. We conclude that the ambiguity in the mandate was a factor that made this multilevel reform possible, contrary to several historically-based conditions and presumptions. Ambiguity became an important element in the meta-governance of this multilevel reform.

Keywords: amalgamation reform, local government reform, multilevel reform, county governors, ambiguity, liaison position, guides, nominators, meta-governance.

INTRODUCTION

Reforms in multilevel systems are complicated, especially when they are initiated and decided at one level but will be implemented at another (Christiansen and Klitgaard, 2010; Aberback and Christensen, 2014). The recent Norwegian Local Government Reform (NLGR) has such features. The reform was formally initiated by the new conservative government in 2014 and decided by the Parliament in 2017. The reform had to be shaped and implemented – in one way or another – by 428 municipalities. One reform thus led to hundreds of reform attempts all over the country from 2014 to 2016 (Klausen, Askim and Vabo, 2016). In the end, the NLGR resulted in 119 municipalities merging into 47 and left the country with 356 municipalities as of 2020 (Ministry of Local Government and Modernization (MLGM), 2020).

The aim of this chapter is to look into how the NLGR was coordinated across levels, from the initiative by the Government until the recommendations of concrete mergers were given. Our focus is on how central actors can influence

a reform that must be shaped and implemented at a lower level. We consider which tools are available at the central level in such a reform process, and more importantly, whether tools could be calibrated to meet the purpose of the reform in the best possible way all over the country (Howlett, Vince and Río, 2017). To answer these questions, we will focus on the role of the county governors (CGs) in the reform process. In the process moving from the government's initiative to the Parliament´s final decision, the CGs received a dedicated role as mediators between the initiating *central* level and the shaping and implementing *local* level (Fimreite and Flo, 2018).

The Norwegian CGs are civil servants but with a stronger position as liaisons between central and local levels. However, their role is differentiated according to variations in needs in their own county (Flo, 2014, 2021). In the local government reform process, the CGs were given a two-fold role by the MLGM. They had to guide potential processes leading to mergers between municipalities in their county, but they also had to nominate which mergers in the county the Parliament should decide to do (Fimreite and Flo, 2018). The Ministry provided no concrete mandate on how to exercise this dual role. As a consequence, the roles and tasks were interpreted differently by the 18 CGs (Fimreite and Flo, 2018). Our purpose is not to understand how differences in interpretations affected the local reform outcomes; we broaden the scope and look into how the CGs – by adjusting the role to local conditions and looking at what was feasible in concrete situations, given the local context and the national framework – shaped the national reform.

We will proceed in this chapter by presenting a theoretical framework for understanding the reform processes in multilevel systems and will continue by describing the NLGR more in detail. The main empirical part of the chapter is the presentation of the CGs' involvement in local reform processes as these were understood by the CGs themselves. This part is based on in-depth, semi-structured interviews with the governors and their process guides, covering a wide range of aspects concerning the NLGR, locally and on a national basis. Thirty-five interviews (a total of 67 hours) were conducted from April to June 2016 (with the process guides) and from March to May 2017 (with the governors) and transcribed into 840 pages of full text. Due to the format and the purpose of identifying and illustrating important positions and viewpoints, which were concentrated and on an aggregated level, we have chosen to quote from the transcript without identifying the originator(s) in every single case.

THEORETICAL APPROACH

Reforms in multilevel systems are often studied by using various organisational theoretical approaches (Aberback and Christensen, 2014). One school of thought in organisational theory claims that clear and well-defined goals, means, and objectives make it easier to achieve specified intentions in most organisational settings, also across levels (Christensen, Fimreite and Lægreid, 2007). A reform context like the one we are studying implies that pronounced ambitions about the meaning, the content, and the shaping of the reform must be communicated and shared from the central to the local level if the reform-attempts should resonate with the reformers' intention (Howlett, Vince and Río, 2017).

Many reforms and reform attempts in the public as well as private sectors have been studied and evaluated according to such postulates. The Danish local government reform implemented in the period from 2004 to 2007 is empirical evidence for the importance of clearness of guidelines, goals and means in the relationship between the central and local levels concerning public multilevel reforms (Christiansen and Klitgaard, 2010). The Government initiated, decided, and almost completely shaped the Danish reform at the central level (Blom-Hansen, Houlberg and Serritzlew, 2016). There was minimal room for municipalities in Denmark to interpret and make their own adjustments in the local versions of the reform (Christiansen and Klitgaard, 2010). A central template was made to fit all the mergers in the entire country. The reform process was rapid and was successfully implemented from the central level.

However, the Danish reform is, however, not the only multilevel reform with ambitions of fast and successful implementation and relying on clear goals and contents (Christensen, Fimreite and Lægreid, 2007; Crespy and Vanheuverzwijn, 2017; Mahoney and Thelen, 2010; Zahariadis and Exadaktylos, 2016). Unlike the Danish reform, many of those reforms were less effective than expected, given the clarity of goals and political support from the central level. Rather than focusing on the fact that these reforms ended up less successfully than expected, some authors examined why they did not become total failures and attributed that to the fact that there was enough ambiguity in the process. This ambiguity made it possible to handle the local stress the reform created in the organisation.

Studying reforms in higher education in Greece, Zahariadis and Exadaktylos (2016) concluded as follows: "Ambiguity is often essential in public policy because disparate coalitions need to be built and supporters must declare victory, each perhaps for his/her own reasons. This ambiguity provides room for interpretations to those who must put laws into practice, leading to contingent strategies of implementations" (p. 64). Matland (1995) claimed that when ambiguity is low and the conflict over the reform goals is bitter and high, compliance

is contested, and political power determines the outcome. However, Zahariadis, and Exadaktylos also claimed that when ambiguity is high and the conflict over the goals is equally high, then the strength of the local coalitions shapes the outcome. The strategy that turns out to be successful is therefore likely to vary, because reforms, being both redistributive and altering the status quo, generate conflict and ambiguity (Zahariadis and Exadaktylos, 2016).

The same argument is found in studies of reforms at the European level. Crepsy and Vanheuverzwijn (2017) argued that to "… govern through ambiguity can be a source of power" (p. 95). To emphasise this, they cited Mahoney and Thelen (2010), who "… consider the ambiguity of rules as the starting point for processes of interpretation, debate, and contestation" (p. 11). Crepsy and Vanheuverzwijn (2017) added that ambiguity opens the way to incremental change, asserting that "…ambiguity [is conceived] more as the outcome of power struggles among actors taking the form of an untidy policy bricolage rather than as the result of a clear foreseen strategy from specific actors" (p. 95).

Ambiguity is, however, not always constructive and can be a rather "… risky political weapon …" (Crepsy and Vanheuverzwijn 2017:96). Citing Jegen and Merand (2014) and their studies of European energy and defence policies, the authors found that ambiguity is efficient in creating an agreement within a coalition of actors only if it is embedded in an institutional opportunity structure. They define such a structure as "…[a] formal-legal context that actors can fold into their strategic repertoire of ideas…" (pp. 2–3).

In this chapter, we will follow this line of thought and ask if the dual role the CGs were assigned in the NLGR represented a sort of ambiguity that made it possible to handle the reform locally by allowing interpretations, debates, and adaptations to local situations and coalitions, thereby making incremental changes possible. As already stated, the CG is a rather distinct institutional structure in the Norwegian multilevel system. The dual role and two-fold mandate the CGs received in the reform process created an opportunity embedded in the reform itself. If the CGs' roles can be understood in this way, what seems to be a huge paradox in the implementation process of the NLGR turns out to be what really made this reform attempt more successful than previous reforms that aimed to merge municipalities in Norway. This can serve as new and additional evidence of ambiguity as a successful coordination strategy in a multilevel system and we can, as Egeberg and Trondal stated it, "…not only learn about why public governance happens the way it does, but also contribute to developing a toolkit for how public governance processes may be deliberately shaped through organizational design" (2018, p. 2). We will focus on how the CGs interpreted their roles and chose their strategies, and how the room for ambiguity turned out to be important. Egeberg and Trondal (2018:2) labelled

the organisational design of a reform process as meta-governance. We will not discuss whether the design of the reform process we are studying was a foreseen strategy from any central actors. However, the meta-governance of the NLGR as evidenced is still important to us.

THE NORWEGIAN LOCAL GOVERNMENT REFORM

PRECONDITIONS AND DESIGN

Norwegian municipalities have multiple functions. Dag Ingvar Jacobsen has discussed the Norwegian local government system (2020) and pointed out four distinct roles for the municipalities: 1) they are self-governed political bodies, 2) they are executive bodies in a national governance system, 3) they are local service providers, and 4) they are territorial units. The NLGR is part of a long tradition, and one of many efforts to strengthen the capacity of the Norwegian municipal system (Flo 2005; Klausen, Askim and Vabo, 2016; Fimreite and Flo, 2017; Kjærgård, Houlberg, Blom-Hansen, Vabo and Sanberg, 2020).

When the Solberg Government first revealed its reform ambitions, it also stated that it wanted to ensure a broad, parliamentary foundation for the reform (Sundvollen Declaration, 2013, Prop 96 S, 2016–17, p. 1). When the reform was formally launched in July 2014, it seemed as if this strategy had succeeded. In addition to the parties in Government (Conservatives and the Progress Party), and its collaborating parties (Liberals and the Christian Democrats), the Social Democrats agreed to the reform's aims. In total, these parties filled 151 of the 169 seats in Parliament. However, this reform coalition crumbled over the years, especially since the Social Democrats, and later the Christian Democrats, claimed that the reform took a path with which they could not agree. When Parliament voted on the reform in June 2017, some of the mergers were agreed upon only by a narrow margin (Stortinget 2017; discussion and voting; pp. 3871–3951). Regarding the design of the reform, there is a mixed impression. It included certain "hard" tools, e.g., in the shape of financial incentives. But generally, it was branded as a "soft" reform, especially through an organisational model that gave the impression that this was a pronounced bottom-up reform (Prop 96 S, 2016–17). The municipalities were simply invited by the Minister of Local Government "to participate in processes with the aim to assess and clarify whether it is desirable to merge with neighbouring municipalities" (press release from the Ministry, July 3, 2014). In other words, the reform objects, the municipalities themselves, were given the de facto responsibility to carry out the reform.

In modelling the reform in such a way, it manifested what was stressed as an absolute political premise for the reform: that it should be founded on a *premise of voluntarism*. The reform coalition emphasised the necessity that the municipalities' participation in merger processes was on "a real voluntary basis." If the municipalities concluded – after a thorough, local process, "following a comprehensive assessment and after having obtained views from its citizens" – that there should be no merger now, that conclusion had to be respected. The majority also stated, however, that exceptions to this "principle of volunteering" might be relevant "in very special situations where individual municipalities must not be able to stop changes that are appropriate based on regional interests" (Rec. S. 300 S, 2013–14:42).

In reality, divergent interpretations of this principle of volunteering constituted the very core of the conflicts emerging in connection to the reforms. From our interviews, the following questions arose: What should be "voluntary?" Did it refer to local processes or to local decisions, or both? And should "voluntarism" simply be a vague guideline, or something close to an absolute premise?

Throughout the reform period, no municipality could be certain that their policy choices would remain uncontested. The political leadership in the Ministry would never specify the "range of voluntarism." Instead in its rhetoric, it stressed what the concept did not include – for instance, the right to stay uninvolved from the beginning. In fact, the Ministry claimed on several occasions that there was no escape from this reform. In retrospect, it seems evident that no one, including the Minister, knew the exact content and range of the premise of voluntarism, neither as a starting point nor while the reform progressed. Our data indicates that this was first clarified in the summer of 2017, and then as a product, when it was evident which solutions the majority in Parliament actually could agree on and based on the outcome of the local processes and the administrative recommendations.

One striking feature of the NLGR is the major gap between its judicial and political preconditions. The Local Government Boundaries Act of 2001 states that local authorities have the right to express their opinion, but central state authorities are able to change the municipal structure as they wish. However, the reformers' real political scope for action was much narrower. This not only had to do with the parliamentary situation after 2013, and the Government's need for legitimacy and a broad political settlement (e.g., to minimize local party-based resistance towards the reform), but also with a combination of basic structural and historical premises. In a Scandinavian comparison, Norway sticks out with its politically potent periphery (Stein, 2019; Eidheim and Fimreite, 2020), and its tradition for a de facto local power to "decide on municipal boundaries", dating back to the 19th Century. The reputation – after

the only large municipal amalgamation reform in Norwegian history, during the first half of the 1960s – was that this was a "forced reform", in the sense that it violated the very principle of local self-government. Consequently, it has constituted a negative reference for all later municipal reforms (Fimreite and Flo, 2017). In 1995, a broad parliamentary majority made a resolution on principle that municipalities should have the right to veto all structural changes that are in conflict with municipal decisions or the result of local referendums (Hansen, 2016: 68). In this light, the condition of voluntarism in the NLGR could partly be seen as some sort of "resignation towards the realities", and partly as an expression of an ideologically or principally motivated protection of the integrity of local democracy.

THE COUNTY GOVERNOR AS A REFORM TOOL

On July 3, 2014, Norway's 18 CGs were given a two-fold designated assignment in the NLGR. Firstly, they should guide the municipalities in their counties throughout the "local" phase of the reform. Words like "implement", "facilitate", "supervise", and "coordinate" were also used in policy documents when describing the CGs' roles in the local processes (Prop. 95 S, 2013–14; Prop. 96 S; 2016–17). The deadline for settling on voluntary amalgamations – and to benefit from generous reform grants – was June 30, 2016. Secondly, knowing the full results of the local processes, the governors should give their recommendation to the Ministry on alterations in the municipal structure. This assignment as a nominator should end by October 1, 2016.

The fact that the CGs held important roles in the NLGR was in many ways obvious, most of all because this assignment could be seen as a natural extension of the CGs' portfolio of tasks. In principle, the CG serves the entire central government administration. It is a cross-level mediator and liaison through a wide range of general, cross-sectorial and specific sectorial tasks, mostly in the shape of monitoring, supervision, and guidance. Its main function – at least for the last four decades – is to play the role of a municipal-oriented coordination agency (Flo 2014, 2021). The institution has the regional administrative responsibility for central government tasks of particular relevance to municipal activities and plays a multitude of potentially conflicting roles as both a helper and a chastiser, a defender of municipal self-government and a guardian of national objectives. The CG fills the important function as the central government's main expert on the municipalities, in possession of detailed knowledge about the situation in the districts, and is thus a provider of key insights for the development of central government policy for municipal activities (Flo 2014, 2021).

The CGs faced different dilemmas due to the premise of local voluntarism – or to be more precise, due to the ambiguity connected to the premise (Fimreite and Flo, 2018). In the role as a guide, they had to decide how and to what degree they should get involved in local processes, without violating the local integrity and the local process ownership and failing to fulfil their duties towards their principal (i.e., the Ministry) as well as the reform's aims and conditions, as defined by Parliament. In their role as a nominator, other questions arose: To what degree should their recommendations be based on the results from the local amalgamation processes? Should the CG be able to deviate from local decisions? In the following paragraphs, we will examine in more detail how the CGs perceived their assignment and handled their dilemmas, both as guides and as nominators.

THE COUNTY GOVERNOR AS A GUIDE IN LOCAL NLGR PROCESSES

The assignment as a guide – or, as expressed in 2014, as a "facilitator of good local processes and as a coordinator" (MLGM 2014) – was never regulated in much detail. The Ministry thus entrusted the CGs with a high degree of freedom to choose how they would organise and carry out their tasks. Our interview data identifies three important questions, based on how the CGs operationalised and solved this assignment. This information will be presented and discussed more in detail here.

How involved and how visible should the county governors be in local processes?

The CGs generally agreed that the freedom they had to choose how to carry out this assignment was appropriate. With hundreds of local processes nationwide – some high and some low on energy and on level of conflict; some involving only two and some involving a large group of municipalities; some of the processes "competing" with each other, promoting mutually exclusive solutions, – something like a standard solution would be counterproductive. The CGs also generally approved the centrally defined condition of local reform ownership. Their main role in this phase of the national reform was as helpers or assistants. They were there to serve the municipalities, help them interpret regulations, subsidy schemes, and so on. Some CGs admitted they were too persistent in the initial phases of the reform and too eager to "get the processes going." Still, they generally found it unproblematic to "straighten up" municipalities that slowed down or abstained from taking part in local processes; they perceived this as part of their mandate as guides. Most CGs agreed that local reform ownership meant they should abstain from expressing their own preferences

regarding merger alternatives. During the reform, the Ministry clarified that processes aiming at amalgamation should not be stopped or undermined, even though the CG considered them unrealistic or undesirable. Some CGs found it problematic, although, just to applaud all local processes. They wanted to be able to abort "suboptimal solutions", and some admitted they had done this in order to promote more realistic local alternatives. Some CGs even expressed a desire to state what would be "the best solution" in individual cases and draw a map of the "ideal" municipal structure.

For most CGs, "local reform ownership" also presupposed that the CG should try to avoid too much public attention. Essentially, representatives of the office should not steal the limelight from the mayors! One ideal, often expressed, was that the CG should be geared to demand: representatives of the CG should not "invite themselves in", but instead wait until being invited to council meetings, to town hall meetings, etc., and the CGs should carefully consider the necessity before interfering with public debate. Still, they all participated in political and public meetings, and some were not reluctant when they found, "It is our duty to front and commend the reform.". Some CGs interpreted local "reform ownership" as a demand to withdraw from the local processes when they were "politicised"; for instance, when municipalities were negotiating on the conditions for amalgamations, or when municipalities made real policy choices, or when the party-political element of the deliberations was predominant. Still, some interviews indicate that not all CGs were as reserved when hidden from the public eye. They also got involved in politically delicate questions, in the shape of political-strategic guidance to mayors and other local political actors, to help them get out of deadlocks, etc. "When the mayors despair, they call us."

Although the CGs approved of the condition of local reform ownership, it had different implications for different CGs. For some, it was a clear signal that they should be reserved and regard themselves mainly as facilitators. Some claimed that being too involved in specific local processes would violate the premise of voluntarism, and thus be a manifestation of disloyalty. However, as other CGs claimed, they could not be indifferent to the outcome of the local processes. These CGs argued that the role as a driving force was partly anchored in the reform assignment, and partly in the general County Governor Instruction.

It is important to point out that these differences in opinion concerning how involved and visible the CGs should be do not necessarily reflect ideological positions, or different degrees of reform sympathy or antipathy. The basic structural, financial, and political preconditions, including the political culture, vary from county to county. Interviews reveal that the CGs' scope of action also differed: a "visible" and active CG was not only possible, but also

expected in some counties, while a "visible" and active CG could be regarded as a provocation in others and result in the release of counterforces, a recoil effect harming the reform. This illustrates that the "rules of the game" differed from county to county, which also explains why this part of the assignment could not be regulated in much detail in the first place.

To what degree was or should the county governors be tools for reform consistency and impact?

In theory, the Ministry could have given the CGs informal but intimate instructions on how to implement the reform's main objectives. Nevertheless, the overall impression is that the CGs experienced informal central government control only to a small degree, including signals on expectations generally or when these concerned single cases. In fact, several governors regarded the lack of clear instructions – or, as some specified, the reform's unclear framework conditions – as a basic problem, both for the municipalities and for the CGs as reform guides.

The CGs described the Ministry – the reform's administrative head – as competent and obliging; still, it was more interested in gathering the governor's experiences than in controlling the agenda. The reform apparatus developed a well-functioning system of information exchange, and the ministerial reform secretariat willingly aided and guided the CGs when it came to "technical" questions. But concerning politically controversial questions, it was difficult or impossible to get a straight answer. "You better try to sort this out yourselves", was the standard expression from the Ministry, some claimed.

It seems fair to say that reform coordination on a national level in the "local" phase of the reform was mostly a result of collaborative talk and experience transfer between the CGs and their reform advisors, communicating on digital platforms and through occasional meetings on both a regional and national level. They made calibration attempts, concerning both their role as guides and their more pressing, future role as a nominator; this was without much success. The CGs had to recognise that they approached the reform assignments differently, and that the course of the local processes also differed highly from one county to another.

The CGs explained the differences in how the reform manifested itself in different counties as a combination of several factors: the vague central reform management (which was again explained by the unsteady parliamentary support for the reform), the diversity between the counties (regarding a wide range of basic conditions), and also with different, personal approaches, attitudes, and assessments among the personnel on various CG offices. However, the CGs were

divided on the question of whether this was a problem. Some said that the huge geographical differences under which the reform was carried out undermined the reform's legitimacy. They valued their freedom to a certain point, but filling the vacuum created by the lack of overall reform governance made them uncomfortable. Others had no qualms regarding the high degree of freedom, referring specifically to the impossibility of implementing the reform in a streamlined way, or generally to the value of widely defined assignments. "We should not demand more detail management from our principals." According to some of these CGs, a more standardised, "middle-of-the-road" approach would have restrained the processes in the most "proactive" counties and been too provocative and thereby counterproductive in the most reform-reluctant or aloof counties.

Is the municipalities' legitimacy towards the county governor relevant to how and to what degree the county governor should comply with the assignment?

The interviews and observations during national gatherings of representatives of the CG offices show that local or municipal legitimacy towards the office was an important consideration for most governors. They felt their general reputation or goodwill was at stake, due to the reform. How the governors conducted the assignments as guides, and to a higher degree as nominators (see below), could harm the relationship of trust. Consequently, it could also harm the offices' numerous municipal-related functions. "Remember, we are going to live with these municipalities afterwards", as some of them emphasised. The concern for their legitimacy had different implications for different governors. Some of them admitted that it affected the way they performed their roles; it made them more withdrawn and reserved, more reluctant to interfere and risk criticism for being too heavy-handed. In other words, their wish for reputational damage control influenced the way they handled their reform assignment.

The governors that were most concerned with their legitimacy felt that they were under dual fire. On the one hand, they could not risk provoking the municipalities, but on the other hand, they felt they had to please the Ministry and Parliament. On the central level, they judged that some actors would be displeased if the CGs "went too far", others would be equally displeased if they acted "too defensively." If a governor as a nominator ended up recommending non-voluntary mergers that Parliament rejected, the governor would lose face in the municipalities, or worse: the CG could be held "responsible for the use of force!"

A minority of the CGs rejected the thought that legitimacy and the general relationship with the municipalities were highly relevant factors during the

reform. "The municipalities understand that we have an assignment to carry out", or "If we give this any weight, we have misunderstood our role. A County Governor should not think like a politician" were two of the reactions when this group was confronted with the potential legitimacy problem. These CGs believed that their legitimacy would not be harmed if they stuck to professional assessments and stayed loyal to their duties as civil servants and representatives of central government.

To sum up, the CGs themselves had to face and solve certain dilemmas in their role as NLGR guides, due to the fact that this assignment was never streamlined, even by their own "calibration attempts." This could be claimed to have undermined the reform's consistency and have contributed to the geographical heterogeneity in the outcome of local reform processes. But the freedom the CGs were given to choose how to play their role was nevertheless a natural consequence of the general premise of local voluntarism, and also provided the NLGR with a valuable elasticity or flexibility. The CGs, knowing "their" municipalities and the local political landscape, could thus concentrate on finding the balancing point in their specific county – to assess how and to what degree they could involve and promote the reform's goals without violating local political integrity and the premise of local ownership to the reform processes, and thus undermining the reform's legitimacy. For local processes to succeed, the active contribution from parties who were sceptical of or opposed to the NLGR as a national reform was often essential. The reform format allowed room for these parties to value and celebrate their local victories, and to downplay each single merger's contribution to the NLGR in general.

THE COUNTY GOVERNOR AS A NOMINATOR IN THE NATIONAL NLGR PROCESS

A new phase of the municipal reform started when the local processes reached their deadline at the end of June 2016. During the next three months the CGs would, as formulated in their assignment, "independently do an assessment of all municipal decisions, and give advice on the future municipal structure in the county" (MLGM, 2016). Although the reform went from one phase to another, and the CGs had to "change mode", the assignments as guides and nominators were interwoven in practice. Most CGs (and probably many local politicians) had their minds fixed on the final recommendation throughout the reform. On the other hand, the content of the recommendation clearly would have to be heavily influenced by the experiences from the local reform processes, and of course, the outcomes of these processes.

The product of the local processes was highly diverse, ranging from multiple voluntary amalgamations in some counties to zero in five counties. Consequently, the premises for the governors' recommendations were correspondingly different. Interviews with representatives for the CGs showed that many felt frustrated with the municipalities, some referring to a local lack of will to "accept the reality." Local politicians let feelings take precedence over reason; they conducted local, advisory referendums on insufficient grounds, but still complied with the result (in most cases, a popular preference for status quo); they made agreements on amalgamation without any intention to implement, etc. At least in some cases, this frustration seems to have legitimated recommendations contrary to local decisions.

Our interviews with the CGs in Spring 2017 revealed that they interpreted the conditions for their assignment as nominators quite differently, reflecting the basic ambiguity of the reform format. Combining interview data with the content of the recommendations, we divided the CGs into three groups, reflecting the profound differences in how they understood their assignment:

Group 1: "Unadulterated voluntarism": This group includes counties like Hedmark, Hordaland, and Vestfold. These CGs did not recommend any amalgamation not rooted in (mutual) local decision. Still, this was a highly differentiated group when it came to results: Vestfold, the "front-runner" of the reform, started with 14 municipalities and ended up with six, while none of the 22 municipalities in Hedmark amalgamated. The group was also divided when it came to how they argued for their approach. Some claimed that local amalgamations could only be legitimate, and thereby functional, if they originated from local, voluntary decisions. Others argued that local voluntarism – meaning local decision-making power – was a premise for this reform; a premise that they happened to disagree on, but with which they felt obliged to comply. There were also other arguments for basing their recommendations solely on local decisions. One CG argued that use of force was not necessary in his county, since the local amalgamation processes had been so fruitful – if the local processes had turned out worse, he gladly would have "used force."

Group 2: "Unadulterated professionalism": This group includes counties like Akershus, Møre og Romsdal, and Troms. These governors suggested several amalgamations not founded in local decisions, stressing that they were a professional body conducting a professional assignment with a "professionalism" mainly based on the so-called "criteria for a good municipal structure" (developed by a governmental expert committee; Vabo et al., 2014), and rooted in their own expertise on/intimate knowledge of "their" municipalities. This does not

mean that the outcomes of local processes were irrelevant – they happily integrated local decisions as parts of their recommendations when municipalities decided on mergers – but in principle, the local decision was only one variable amongst many when the CG weighed the arguments. Some of the CGs argued that the reform's premise of voluntarism was not relevant for them in the role as a nominator. The premise was relevant until June 30, 2016, during local negotiations on "whom they should marry" (and, as a consequence, relevant for the CG in the role as guide). It would be relevant again after October 1, 2016, in the process leading up to the summer of 2017 when national politicians would decide on whether they should obey or ignore local decisions. As condition suppliers to the national reform, the municipalities themselves represented "voluntarism" through their decisions, while the CGs represented "professionalism" through their recommendations. It was up to the MPs to decide whether they should listen to the "voluntary" or the "professional" voices.

Group 3: "Limited force": This group includes counties like Sogn og Fjordane, Nordland, and Rogaland. These governors derived their recommendations directly from local decisions, but also proposed a limited number of "forced" amalgamations – maybe only one or two each. These CGs felt torn between what they considered incompatible demands (and the threat of legitimacy loss), constantly waiting for some sort of a "clarification." This clarification never came; therefore, CGs in this group regarded it as crucial to recommend something "realistic" that might actually be agreed upon in Parliament in the summer of 2017. They all seem to have believed that the parliamentary majority would not be willing to accept substantial deviations from local voluntarism, but it might be willing to grant each county a small "quota of force."

Overall, the diversity in how the CGs solved their assignment as guides had not given rise to much public or political outcry. The diversity in how they carried out their task as nominators, on the other hand, could not be hidden from the public. In the public debate, the differences were often interpreted as a clear sign that the individual CG's personal opinion or political party preference tipped the scales. One of the first studies of the reform focused on how the CGs dealt with conflicting pressures as nominators and also stated that the individual CG's own, personal interpretations and convictions determined the outcome. This is a reason to ask whether it is right to leave so much political power to an administrative institution when the leader's personal discretion could end up making the decisions (Glomsrud, 2017).

Still, we would argue that all three approaches were possible and expressed loyalty, given the ambiguity of the assignment. A more unambiguous assignment would have represented a great relief for some governors, but this might

have had other disadvantages for the reform. If all CGs were instructed to base their recommendations solely on local decisions, and effectively had been forced to advise against other solutions, it would have weakened the central politicians' ability to do their own assessments. In reality, a "positive" recommendation from the CG in a single case was something close to an absolute precondition for a "positive" decision on merger in Parliament. On the contrary, if all CGs were instructed to ignore or downgrade the value of local decisions and emphasise their independent, professional judgment, this might increase the level of conflict and weaken the overall legitimacy for the reform.

There were disadvantages to the different approaches to the assignment as guides, but these also provided some sort of "balance" for the bottom line. The NLGR was not a complete success and not a complete failure. It represented a deviation, but only a moderate one, from the premise of voluntarism, and was thus acceptable for the great majority. This illustrated a general paradox in the NLGR: given the reform's fragile, political basis, too much success could increase the risk of failure.

AMBIGUITY WITH A PURPOSE – CONCLUDING DISCUSSION

In this chapter, we have discussed how the dual role the CGs were assigned in the NLGR could represent the ambiguity needed to handle a national reform at the local level in a multilevel system. We have shown how the CGs themselves and their collaborators perceived the scope for interpretations and debates, and how adaptions to local situations and coalitions made incremental changes possible. We have also pointed out that by adjusting the content of the role to local conditions and what was feasible in the concrete situations given the local context and the national framework, the CGs did not just handle the local reform attempts, but they even shaped the national reform.

It is not difficult to find expressions of disappointment around the reform-outcome of the NLGR among actors supporting the reform's aims as well. Even though there are fewer municipalities in Norway now than in 2014, the majority of municipalities still have less than 5,000 inhabitants. The principle of a generalist municipality system (i.e., that all municipalities should play the same role as executors of national policy) is thus no easier to maintain than before the reform (MLGM, 2018).

The reform processes might even, as some feared, have damaged the CGs' legitimacy. This applies to both individual CGs and the institution as a whole (Fimreite and Flo, 2018). There is criticism that CGs have been both "too loyal" and not "loyal enough" and that they have been "too activist" or "too relaxed." Our interviews show that even some of the respondents expressed discontent

with the strategy chosen by central government for the implementation for the reform and for the "rules" of the reform in this strategy. They appear to claim that if national politicians had abandoned the premise of voluntarism, established clear assignments to the CGs, and been more exact about what they expected from these assignments, the result would have been a more consistent and extensive national reform. This criticism implies that the reform's built-in ambiguity regarding multilevel coordination represents the very core of the problem with the NLGR.

However, if we look closer at the national reform outcome, NLGR has to be declared as a reform of historical proportions in a Norwegian context. Reducing the numbers of municipalities by 17% can also be considered impressive. In spite of the heterogeneity regarding the process and the result, this has proved to be a national reform. From our empirical data, we would argue that the ambiguity we have discovered in the multilevel structure expressed by the CGs' interpretation of their role in the reform was in reality an important step toward this. The ambiguity made the reform possible across levels and mitigated the effect of the historical and political conditions and the differences between the counties' needs and possibilities.

Although the aims and ambitions of the reform initially seemed to be agreed upon by the majority in the Parliament, this resulted neither in a broad political coalition at the central level supporting the reform unconditionally nor regarding means, objectives, or implementation. It was politically impossible to abandon the premise of voluntarism. What was possible, though, was to avoid being too specific about how this premise should be included in the reform. Such a vagueness allowed an ambiguity that gave enough flexibility to adjust the reform to local preconditions and inspired (or frightened) the municipalities into action. The reform design made it too risky for a single municipality to opt to "wait for the reform to pass." We maintain that the detected ambiguity in the reform layout made the decisive difference between a real bottom-up reform and a quasi-bottom-up reform. The number of mergers (as a proxy for reform results) was disappointing in some counties. In other counties, the results were more moderate, but in some places, there was an impressive result. Those results would not have been accomplished if it had not been in the context of a national reform with allowance for local adjustments.

The reform's moderate success was by no means determined by the reform format and the reform strategy alone. It could have turned out as either more successful or more of a failure. To make the reform more successful, the initial reform coalition at the central level needed to be more persistent throughout the process. The local support for the reforms was fragile, and the NLGR could easily have been affected much more by the growing political discontent with

the government's alleged "centralism" after 2014 (Stein, 2019; Eidheim and Fimreite, 2020).

However, given the parliamentarian situation in 2014 and the politically relevant historical experiences, both a stricter "commando structure" and a more consistent laissez-faire strategy would have been counterproductive. Ambiguity was, given these circumstances, a risky strategy, but the alternative strategies would probably have been even more risky. A reform with a clearer top-down approach – lacking, or at least with a clearly moderated premise of voluntarism – would probably have increased the level of conflict, not only across party lines in Parliament, but also between the same parties at different governance levels. A reform with a clearer bottom-up approach and a stronger premise of voluntarism would have implied fewer local incentives and would have gained forces working for status quo.

The ambiguity we have discussed here represented a balancing point in this reform process and gave energy to the NLGR. The right institutional context must be present in order for ambiguity to result in such energy. We argue that the CGs were what Jegen and Merand (2014:2–3) called "an institutional opportunity structure" in this reform. It is no doubt that the formal-legal context for the CGs enfolded into their strategic repertoire of ideas helped the reform come through. The CG institution – with its distinctive, wide-set of roles and tasks, its close relationship with the municipalities, and its general ability to implement national policy to highly varying local contexts – became an important precondition for the NLGR. The CGs' reform assignment reflected the institution's formal role but also their diversity of approaches. The CGs became a differentiated reform tool for Government; a tool that shaped the national reform. Using organisational theoretical terms, the institutional opportunity structure the CGs represented in this reform turned out to be an important meta-governance feature of the Norwegian Local Government Reform.

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CHAPTER 8

Metagovernance in the social investment state: Lessons from the German case

Alexander Berzel and Tanja Klenk

ABSTRACT

In the last two decades, the emergence of a new social policy paradigm – the social investment state – has been widely discussed. This paradigm shift in social policy is also interesting from a public administration perspective since the new paradigm is characterized by a strong interest in the operational dimension of welfare state policy. In this respect, local networks with cross-sectoral coordination are considered crucial to achieve social cohesion. The "rules of the game" for local networks, however, are often defined by higher state levels. Studying the vertical-horizontal intersection of social investment policies is particularly interesting for administrative systems that are characterised by a strong emphasis on vertical lines. Germany is a case in point. Thus, we have investigated 48 SI projects in 16 German states. Analytically, we have drawn on the metagovernance approach and examined how higher state levels encourage and facilitate local networks. Empirically, we use data from expert interviews and policy document analysis. We can show that German state ministries use tools of metagovernance intensely and interpret this as a sign of policy learning to overcome typical problems of network governance, such as weak links, structural holes, or lack of legitimacy. Nevertheless, our results also reveal the limitations of the recent policy approach. So far, the tools of metagovernance have not been used in a strategic way. Critically reflecting the role of metagovernance is thus the next step in making the social investment state sustainable.

Keywords: metagovernance, governance, (horizontal/vertical) coordination, integration, (local) network, problems of network governance/network failure, social policy/social services, social investment state, (social) innovation, Germany.

INTRODUCTION

During the last two decades, we have observed the emergence of a new social policy paradigm, namely the social investment state. Instead of "repairing" damage after incidents of economic or personal crises, social policy should prepare individuals, families, and societies to cope with social crises and to respond actively to the recent challenges of pluralist and individualist societies with their knowledge-based and competitive economies (Busemeyer et al., 2018; Hemerijck, 2018). This paradigm shift in social policy is also interesting from a public administration perspective since the turn towards a social investment state concerns not only the content of social policy but also its operational

dimension (Andersson, 2020). It is increasingly acknowledged that the silo structure of the Weberian public administration, with its highly specialized administrative units and work-sharing procedures, hinders effective social policy solutions. Instead, unemployment, inclusion, integration, poverty, and care are cross-cutting "wicked" problems that require multiorganisational arrangements in which actors work together to solve problems that cannot be solved by single actors (Agranoff & McGuire, 2003, p. 4). As a result, horizontal coordination across the different fields of social policy and the establishment of networks have gained in importance.

Furthermore, with the rise of the social investment paradigm, the local level of the welfare state has taken centre stage again since knowledge of operational issues is held at the local level (Zimmerman et al., 2016). Local communities (neighbourhoods, districts, cities, etc.) are the social spaces where resources and constraints can be mobilized to achieve social cohesion. However, while the local level is decisive for the provision of social services, the higher state levels remain the main rule setter in the welfare state. To avoid the creation of new cross-territorial disparities, greater social inequality, and fragmented solidarities, regulations regarding funding, (re)distribution, and access to social services are still made at the national and/or the state level. By changing the legal requirements, providing financial incentives, or priming the idea of social investment in the political debate, governments at the state or national level can support the establishment of networks at the local level and promote horizontal coordination. Hence, to understand fully the horizontal arrangements of social service delivery at the local level, we also have to take the vertical dimension into consideration.

While there is a growing strand of literature mapping local social service networks and discussing the hindering and facilitating aspects of horizontal coordination, less discussion has focused on the vertical-horizontal intersection of social investment policies. Generally, the questions of how cooperative arrangements are organised vertically and how they are linked to higher levels of administrative and political leadership have been neglected in the literature (Jacobsen & Kiland, 2017, p. 54). This chapter aims to address this dimension of research on social investment policies. It is guided by the following questions. (1) Why are joined-up policies stimulated at the local level – which problems should be solved through metagovernance? (2) How is cooperation at the local level strengthened – which tools and instruments of metagovernance are adopted? (3) What similarities and differences in the metagovernance arrangements can we observe across the different fields of activity of social investment policy?

To answer these questions, the chapter brings together two strands of literature: the literature on the social investment state and the literature on metagov-

ernance. The social investment literature (Busemeyer et al., 2018; Hemerijck, 2015), while being strong in conceptualizing paradigm shifts through changing ideas and changing policy instruments, has lacked sensitivity to the administrative dimension of social investment policies. The literature on metagovernance (Kooiman & Jentoft, 2009; Sørensen & Torfing, 2017) has again been concerned – among other topics – with the central steering of local networks but has had no particular interest in the social investment state. By combining the bodies of literature, the chapter aims to make both an empirical and an analytical contribution; it studies the variety of social investment governance arrangements and develops a framework to research the operational dimension of social investment policies.

The chapter is structured as follows. The next section provides an overview of the recent paradigm shifts in social policy and public administration that contributed to the increased awareness of the importance of cross-sectoral and horizontal coordination for policy outcomes. Section three introduces the literature on metagovernance, which we use as an analytical framework to study the implementation arrangements of social investment policies. Section four describes our research design; the empirical data in this chapter were taken from a case study on the German welfare state. In Sections five and six, our empirical results are described and discussed. We show that state ministries do indeed use tools of metagovernance in a deliberate way. The range of metagovernance tools adopted and their intensity, however, vary widely. Moreover, attempts to shape local networks by means of metagovernance remain limited to a small number of policy fields. Our work leads us to conclude that collaborative network governance in social investment projects requires not only policy learning at the local level but also learning at the upper level of state ministries: metagovernors – politicians and public servants at the state level – need to improve their metagovernance skills to ensure local social investment projects' success.

TOWARDS COLLABORATIVE NETWORK GOVERNANCE – PARADIGM SHIFTS IN SOCIAL POLICY AND PUBLIC ADMINISTRATION

To make welfare states in Western democracies resilient to the pressures arising from globalization, deindustrialization, and new social risks, a new paradigm arose in the 2000s: the social investment state (Busemeyer et al., 2018). The social investment paradigm departs from the early reform reactions inspired by the idea of a liberal or even a minimal state, acknowledges the public responsibility for social security, and considers social policy as a productive factor (Hemerijck, 2015, p. 242).

Interestingly, the social investment paradigm identifies one major reason for the persistence of complex social problems in the structures of the welfare state itself. As a result of both the stepwise development of the welfare state over time and the idea that high specialization is beneficial for efficient and effective service delivery, the welfare is subdivided into different fields – health, unemployment, youth, care, and so on – with an accompanying set of specialized organisations. Not only political and administrative power but also resource allocation, information and communication, performance management, and quality control are exercised through this framework of sectoral organisational units.

However, societal problems can seldom be compartmentalized along sectoral lines since they are cross-cutting (Plavgo & Hemerijck, 2020). Unemployed people, for example, often lack not only a job but also psychological treatment or drug advice. The acknowledgement of the cross-cutting nature of social problems is a cornerstone of the social investment paradigm. The evolution of the new paradigm was accompanied by an intense debate on the overall institutional architecture of the welfare state. The downsides of a sectoralised welfare state are increasingly subject to discussion: sectoral organisation is no longer perceived positively as a specialisation but as "pillarisation" or "siloisation", hampering the necessary exchange of resources and information. Indeed, how one draws the departmental borderlines significantly affects which policies are actually coordinated systematically and which are shielded from external influences (Egeberg & Trondal, 2018). Accordingly, much effort is being made to surmount departmentalism, to integrate services, and to create networks to offer seamless services to recipients.

While coordination has gained importance in social policy only recently, it has been a longstanding concern of public administration research. As in welfare state administration, specialization in the core parts of public administration has been considered to be a successful solution to manage state activities for most of the 20th century. Even though the "administrative diseases" (Hood, 1974) caused by a lack of coordination had already been described rather early on, policy learning has been slow and at first, even took the reverse direction. The New Public Management reform wave in the late 1980s even increased the fragmentation by introducing competition, creating single purpose agencies using outside contracting. These measures, while being thought to improve the efficiency of service delivery, increased transaction costs in the public sector and made the need for coordination even more pressing. However, it was not until the 2000s that a new reform paradigm occurred – New Public Governance (NPG). Similar to the paradigm shift in social policy, we can observe a new emphasis on horizontal integration and network governance in the public

sector. Single purpose agencies were reorganised into multipurpose or one-stop shops, and horizontal collaboration (in networks, teams, or projects) was highly encouraged.

ANALYTICAL FRAMEWORK: METAGOVERNANCE

Collaborative governance within and across sectors, while urgently needed, is hard to achieve (Jennings & Krane, 1994). The barriers to effective collaboration might have different causes. From inside, collaborative network settings are often contested because network members have different professional or cultural backgrounds, creating tensions and hampering the effective exchange of resources. From outside, partisan politics or lacking public support might create legitimacy challenges, for example (Sørensen & Torfing, 2017, pp. 829–830).

There is an intense debate about how and to what extent the higher levels in governments can stimulate joined up policies at a lower level. Recent research has indicated that top-down mechanisms, like mandated collaboration, are not appropriate for finding innovative solutions that "overcome [policy execution problems] through the mobilization of the knowledge, ideas, entrepreneurship of the public employees and other relevant stakeholders […]" (Sørensen & Boch Waldorff, 2014, p. 3).

How can public servants design arrangements that encourage collaboration in networks and at the same time tackle the typical problems of this governance mode? This is where metagovernance comes into play. Metagovernance, often referred to as the "governance of governance" (Kooiman & Jentoft, 2009, p. 819), "aims to improve the functioning and capacity of relatively self-governing networks to produce governance solutions that enhance the production of public value" (Sørensen & Torfing, 2017, p. 829). Thereby, the government, other parts of the state apparatus, or even private actors are involved in the facilitation and steering of new forms of governance.

The literature has described different tools and instruments of metagovernance, such as political, discursive, and financial framing, network facilitation, and institutional design, in particular with respect to the vertical and horizontal specializations of reform organisations or the setup of organisational linkages and bridges and network participation (Egeberg & Trondal, 2018). Metagovernance approaches can also be differentiated according to their intensity of intervention. "Hands-off" modes of metagovernance abstain from direct intervention, while we talk about "hands-on" modes of metagovernance when metagovernors directly interfere in local arrangements. Based on both the literature and our empirical findings, we propose the following categorization of metagovernance tools:

- Legal and financial framework means the design of the political, legal, and/or financial framework and appears in the form of incentives (financing/personnel/information/knowledge) and hierarchy (mandatory legal requirements).
- (Discursive) framing stands for the provision of a clearly identifiable, positive narrative or a uniting strategic approach. Being rooted in a social constructivist view, this tool strives to create meaning and identity among the self-governing actors. Instead of implementing several disconnected projects, a government can set up an umbrella programme, for example.
- Facilitation belongs to the hands-on metagovernance tools. Metagovernance requires organisational capacity (Egeberg & Trondal, 2018). Facilitation can be achieved by supporting self-organising networks through, for example, rather formalized meta-organisations, with their own resources, employees, and management (Zyzak & Jacobsen, 2020), service units at the local level, the recruitment of permanent staff earmarked for reforms, or the collection, composition, and circulation of best practice examples. For a project to be classified into this category, a concrete description of the transfer of practice or qualification goals and so on is necessary (mere indications of support are not sufficient).
- Institutional design, another hands-on metagovernance tool, is more straightforward, prescribing the procedures, actors, and locus of the local networks.
- Finally, metagovernors still have the most interventionist instrument at their disposal – their own participation in steering bodies. Who the representatives in steering bodies are and who they represent arguably constitute the most important design dimension. The more a cooperation steering body consists of actors from higher political or administrative levels, the more vertically integrated the cooperation will be (Jacobsen & Kiland, 2017, p. 54). Nevertheless, to fit into the autonomous and non-hierarchical structures at the local level, metagovernors need to give up any authoritative position.

Recent empirical research on metagovernance, while remaining strong in analysing the mechanisms of metagovernance and in understanding how metagovernance can hinder or facilitate innovation processes (Ansell & Torfing, 2014), has lacked a comparative perspective. Single case studies, which cannot offer an understanding of the similarities and differences across different metagovernance arrangements, have prevailed. This chapter aims to fill this gap by comparing metagovernance arrangements for innovative SI projects in the 16 German states. To understand the varieties of SI arrangements, we suggest adopting an institutional perspective. Our initial assumption is that

it is crucial to understand which pillar of the welfare state initiates innovative social investment projects. Each pillar of the welfare state (unemployment, youth, health, care, etc.) constitutes its own policy field with an accompanying set of institutions, issues, and ideas. These features of the pillars of the welfare state shape the metagovernance arrangements.

METHODS AND CASE DESCRIPTION

To understand the varieties of metagovernance arrangements, this chapter compares the metagovernance approaches adopted in different social investment programmes in the 16 German states. Germany is an interesting case for studying vertical initiatives to stimulate horizontal coordination at the local level. The German administrative system is characterized by very strong emphasis on vertical lines: ministries are organised along the departmental principle "according to which departmental ministers independently perform the affairs of their ministries and policy domains (in the framework of the general policy guidelines)" (Hustedt, 2014, p. 154). As a result, the coordination efforts across ministries are modest and strive only to prevent conflicts with other ministries. Thus, while being a highly developed and mature welfare state, Germany struggles to cope with wicked, cross-cutting issues in an effective way. State ministries metagoverning local networks can be interpreted as a sign of policy learning: ministries acknowledge the limits and downsides of the departmental principle, which provides specialized solutions but only for particular segments of a problem structure.

As a research unit, we selected social investment projects, that is, initiatives with a predefined duration and allocated resources and responsibilities. The case selection was based on a bottom-up approach: public officials responsible for social investment projects were asked in expert interviews to select innovative examples. Following Heiskala (2007, p. 74), a structural and power perspective was adopted to operationalize social innovations. Social innovations are thus "changes in the cultural, normative or regulative structures of the society which enhance its collective power resources and improve its economic and social performance". This understanding of social innovation implies a contextual understanding of "newness". A particular social phenomenon derives its novel nature from the institutional context in which it takes place (Agger & Sørensen, 2018). This means that a particular phenomenon can be a revival of an "old" practice in a different, contemporary context or the transfer of an established practice to another (spatial and/or institutional) context.

Our sample encompasses 48 projects, and data were collected for the time frame 2017–2018. To study the metagovernance approaches of these projects, we

operationalised both the horizontal and the vertical dimension of coordination. To measure the horizontally integrative capacity of social investment projects, first we counted how many different policy fields (i.e., local level activity fields that are processed by different institutional actors) are included in a project. Our integration score differentiates between three different degrees:

- Projects following a sectoral logic (no horizontal coordination is intended (1 point))
- Projects following a simple understanding of horizontal coordination (two local policy fields are included (3 points))
- Projects following an ambitious understanding of horizontal coordination (three or more local policy fields are included (5 points))

Second, we determined whether actors at the state level adopted a hands-off or a hands-on approach, operationalized through the tools described above and instruments of metagovernance. Our intervention score acknowledges that the intensity of metagovernance depends on both the number and the type of metagovernance instruments and was measured as follows:

- Legal and financial framework (1 point)
- (Discursive) framing (2 points)
- Facilitation (3 points)
- Institutional design (4 points)
- Participation (5 points)

Figures 8.1 and 8.2 depict our analytical framework. Figure 8.1 indicates, on the y-axis, how many policy fields are included in the project; the x-axis shows which tools and instruments of metagovernance are adopted to stimulate cooperation at the local level. Figure 8.2 uses a similar scale on the y-axis, while the x-axis now displays the intervention score, reflecting the dependence of the intensity of metagovernance not only on the number of instruments adopted but also on the type of instruments. Hands-off instruments, like legal frameworks or discursive framing, have a less interventionist character than direct participation. Figure 8.2 illustrates this, taking the project "No graduation without follow-up perspective" ("Kein Abschluss ohne Anschluss") as an example. Note that the intervention score scale has been transformed into a five-point scale after calculation to allow comparability with the integration score.

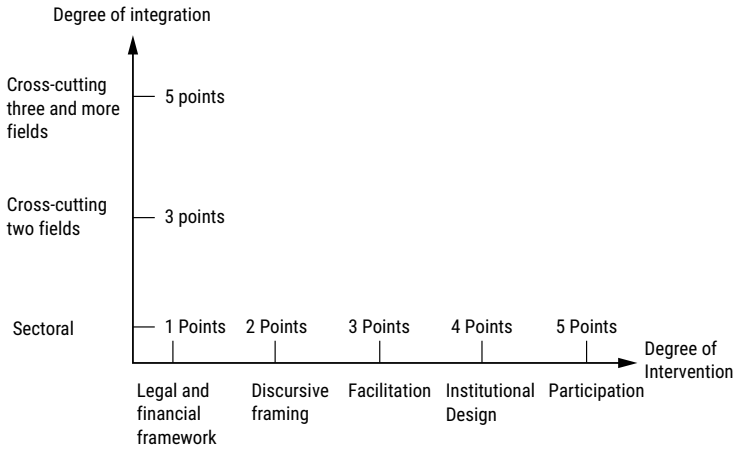

FIGURE 8.1: SI arrangements: fields & instruments. Source: Own production

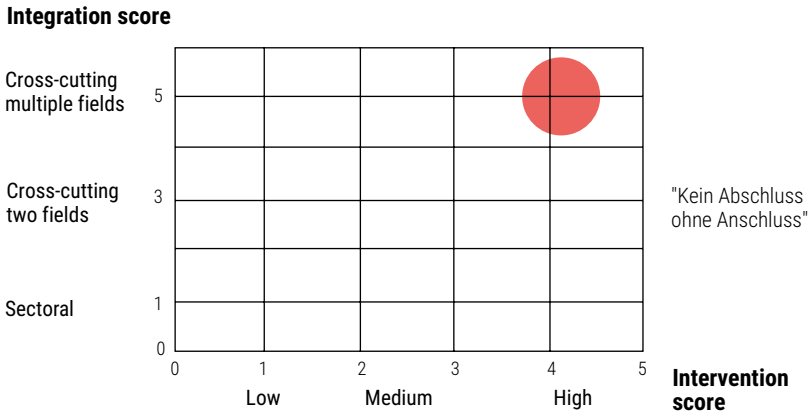

FIGURE 8.2: SI arrangements: degree of integration and intervention. Source: Own production

"Kein Abschluss ohne Anschluss" aims to offer all young people a follow-up perspective for vocational training or studies after school graduation. The following describes our mapping procedure. The project aims to strengthen the cooperation between three policy fields (education, the labour market, and youth policy), resulting in 5 points on the degree of integration scale. The following instruments have been adopted in the project:

- Legal and financial framework: financial incentives; hierarchy (mandatory legal requirements → guidelines defining projects' responsibilities) → 1 point
- Discursive framing: "Kein Abschluss ohne Anschluss" is an umbrella concept building bridges between formerly disconnected projects → 2 points
- Facilitation: not used → /
- Institutional design: concrete setup for coordination and horizontal cooperation and local coordination service units in all districts → 4 points
- Participation: coordination and collaboration via a steering group (ministry + several other civil society stakeholders) → 5 points

In sum, the project has an intervention score of 12 points (which is a transformed score of 4.14) and a cumulative metagovernance score of 17 points. This procedure was applied to all 48 projects.

EMPIRICAL RESULTS

MOTIVES FOR METAGOVERNANCE

In the first step, we studied the problems of local network governance perceived by German state governments that have motivated them to introduce metagovernance tools. Four recurring issues were identified in the empirical material: metagovernance tools are introduced (1) to turn weak links of collaborative networks into tight forms of integration, (2) to bridge structural holes, (3) to cope with internal legitimacy problems, and (4) to enhance external legitimacy.

1. From weak links to tight forms of integration: At the local level, mushrooming of networks has become visible in the last years. However, often only modest modes of horizontal coordination have been implemented; actors or organisations pool their resources and try to standardize their interactions without changing their own strategies or behaviours decisively. German state governments have introduced metagovernance tools to bundle various social investment initiatives and to intensify the strategic exchange among them, as the following quotations show: "The problem of training shortages has been known for a long time. First attempts to tackle this problem resulted in "projectitis": (too) many projects coexisting side-by-side, without mutual exchange and not manageable. The aim was to bundle the large number of projects to create a manageable network and to improve the effectiveness of the projects' (Interview I). Another public servant (Interview II) explained: "We had quite a number of community centres, family education houses, or support centres. However, they have been developed in a rather incremen-

tal way and were only loosely coupled. By creating a new service point, we hoped to strengthen the network and to increase exchange among network members."

2. Bridging structural holes: It is striking that the newly established networks are organised around distinct phases of life (pregnancy/birth, a healthy start in life, vulnerable transition periods, e.g., between school and labour). However, the various networks are not connected to each other but form – as Ronald Burt (2004) would have put it – structural holes. One of our interview partners (Interview III) expressed this as follows: "We wanted to facilitate cooperation across legal systems and create one-stop shops for young people, regardless of the legal system to which they belong, without the risk of being referred to other administration units. (…) To encourage such a cooperation, a steering engine is needed."

3. Internal legitimacy challenges: Even if local actors are willing to establish a collaborative network with tight ties, there are numerous impediments to seamless service delivery. Obstacles may result from such issues as professional divides (e.g., between managers and social workers or between doctors and nurses), disconnected or even isolated units, or the fact that for-profit and non-profit organisations are working together. The sharing of data and information is hampered not only by lacking trust but also – in times of digitalization – by problems of interoperability. As a result, we see numerous conflicts, mistrust, misunderstandings, and lacking communication at the microlevel of coordination that hinder effective collaboration (Ferlie et al., 2005). Against this background, a "neutral outsider" is needed for conflict resolution: "Whenever new questions about coordination or financing arise that cannot be solved at the regional level, the state level is called upon: the actors were not used to cooperating; no procedures to come to decision and to resolve conflicts were established […]" (Interview III). Another interviewee (Interview IV) emphasized the importance of metagovernance tools not only for establishing networks but also for creating team spirit. "Whether something succeeds, especially in the interaction of various actors (e.g., teachers, social workers, or career counsellors), is a question not only of resources but also of networking and the development of a common culture."

4. External legitimacy challenges: the fourth barrier to effective horizontal coordination is external legitimacy challenges. Even though it is increasingly acknowledged that wicked problems require collaborative network governance, social investment policies "continue to struggle for recognition as a policy paradigm" (Plavgo & Hemerijck, 2020, p. 2). They are contested because they require redistribution among different clientele groups; moreo-

ver, the preventive character of social investment policies makes their outcome hard to measure. To provide legitimacy, many metagovernors use framing technics and label their projects with strong, positive connotations, like "Stärke" ("strength") for early childhood family care projects or "Türöffner" ("door opener") for school/work transition projects. Metagovernors also use evaluations strategically to maintain or improve external legitimacy, as the following quotation indicates (Interview V): "The evaluation results clearly revealed that coordination is a necessary precondition for project success. If there was a good basis for coordination between [Provider 1] and [Provider 2], the project was successful; in projects with no or only a little cooperation, these effects couldn't be measured. Our new call for proposals then made cooperation compulsory." A similar legitimacy effect is achieved through hands-on tools, as the same interviewee explained: "Promoting legitimacy through [so-called] "elephant rounds" – highly visible events with ministers, the chairmen of the social partners, associations, and local authorities – is very important".

MAPPING METAGOVERNANCE ARRANGEMENTS

Having explored the reasons for metagovernance, we now focus on the arrangements implemented. Figure 8.3 shows first, that nearly half (21) of the 48 mapped projects strive to integrate three or more policy fields, and 18 projects to integrate two policy fields. State ministries are thus trying to overcome the traditional silo structures and to establish horizontal coordination. The map reveals, second, that there are projects with a low degree of integration and intervention as well as highly integrated projects that experience a high degree of intervention. We also find projects that focus only on one policy field but score highly on the intervention axe. Interestingly, we cannot find the reverse case: highly integrated projects with a low degree of intervention. We interpret this as a sign that policy fields are not integrated easily but require metagovernance intervention.

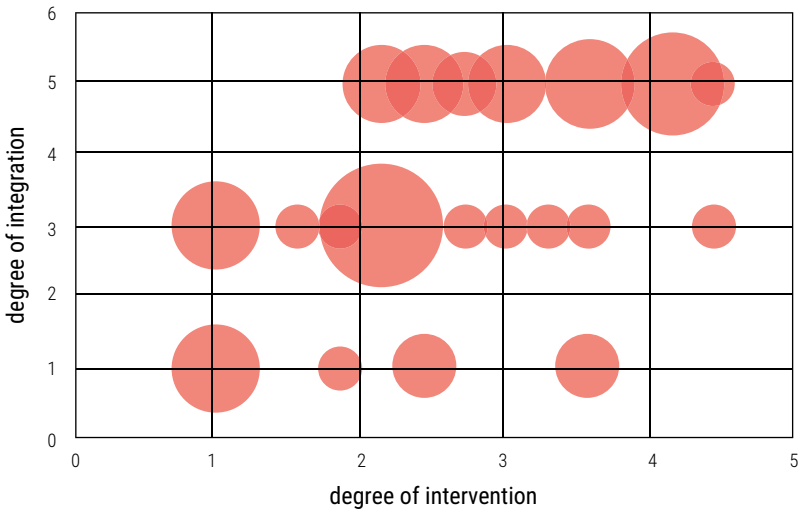

FIGURE 8.3: Projects according to their degree of intervention and the degree of integration. Source: Own production; the bigger the circles the more projects.

In our sample of 48 projects, we have seven policy fields represented: Active Labour Market Policy (ALMP), Family/Early Childhood, Education, School-To-Work Transition (in the following referred to as Transition), Health, Infrastructure, and Integration. In a second step, we were interested who initiated these projects and who is lead agency. To this end, we have assigned the 48 projects to their lead department (policy area) at the state level, assuming that the agency and the environment it is embedded into (with its specific actors, ideas, issues and institutions) are relevant factors that have an impact on project design.

Table 1 shows that in most cases of our sample (= 16), innovative social investment projects are initiated by state level actors responsible for ALMP (e.g., Ministries for Labour and/or Economics), followed by actors responsible for Family & Early Childhood Education (14). As a rule, transition projects (11) are jointly lead by ministerial departments responsible for education and ALMP. Thus, we already find an integrative approach at the state level which is thought to stimulate further cross-sectorial coordination at the local level.

TABLE 8.1: SI projects per lead agencies. Source: Own production.

Lead agency	Cases
ALMP	16
Family/Early Childhood	14
Education	4
Transition (school to work)	11
Health	1
Infrastructure	1
Integration	1

With respect to the depth of integration, we can observe some interesting differences between the 48 projects (Table 8.2).

TABLE 8.2: SI projects – lead agency and average number of locally integrated policy fields. Source: Own production.

Lead agency	Integration Score
ALMP	2.38
Family/Early Childhood	3.29
Education	5.00
Transition (school to work)	5.00
Health	3.00
Infrastructure	5.00
Integration	1.00
Average	3.50

It is striking that projects in the field of ALMP, which represent the biggest share in our sample, are still often designed as sectoralised arrangements: 6 out of 16 projects focus only on the labour market without involving actors from other policy fields. Projects that focus on the transition from school to work, on the contrary, are the most open to cooperation; these projects are usually designed as cross-cutting projects and integrate three or more different policy fields (integration score = 5). The average integration score is about 3.73 (at least two local policy fields are integrated), which we take as a sign that our interview partners consider cross-sectoral coordination as a decisive criterion for labelling a project as an innovative social investment initiative.

Differences can also be found with respect to instrument choice. In this regard, we measured both the number of metagovernance tools applied and their intensity of intervention (intervention score; see Table 8.3). Interestingly, social investment projects in the field of ALMP score low on both measures, meaning that state actors in charge of ALMP apply only a few metagovernance tools and prefer, as a rule, a "hands-off" approach. With respect to transition projects, we can see a preference for "hands-on approaches". State level actors responsible for transition projects not only adopt a range of different metagovernance tools but at the same time choose instruments with an interventionist character (e.g., the establishment of coordination centres or direct participation in projects' steering boards). Furthermore, the table shows that the number of tools and their degree of intervention are considered as two independent dimensions of project design. State actors that apply a range of different instruments do not consider an increase in the number of tools applied as an alternative to highly interventionist tools (like direct project participation). Instead, state actors that prefer a hands-on approach usually use many different instruments, including instruments with a high degree of intervention. The reverse is also true: state actors that use only a few metagovernance tools prefer – as a rule – instruments with a low degree of intervention. Decisions between hands-on and hands-off approaches thus take two different dimensions of project design into consideration.

TABLE 8.3: Intervention Score of lead agencies. Source: Own production.

Action Field	Number of Metagovernance Tools	Intervention Score
ALMP	1.81	1.89
Family/Early Childhood	2.71	2.86
Education	3	3.07
Transition (School to work)	3.09	3.34
Health	2	1.86
Infrastructure	3	2.71
Integration	1	1.00
Average	2.48	2.60

Bringing together the two previous individual evaluations, Figure 8.4 displays the combined metagovernance score. The figure thus shows the divergence of the different lead agencies, expressed in the average values across the respective

projects. Not surprisingly, the combined metagovernance score of ALMP projects is considerably lower than the score in other fields of social investment policy (4.27).

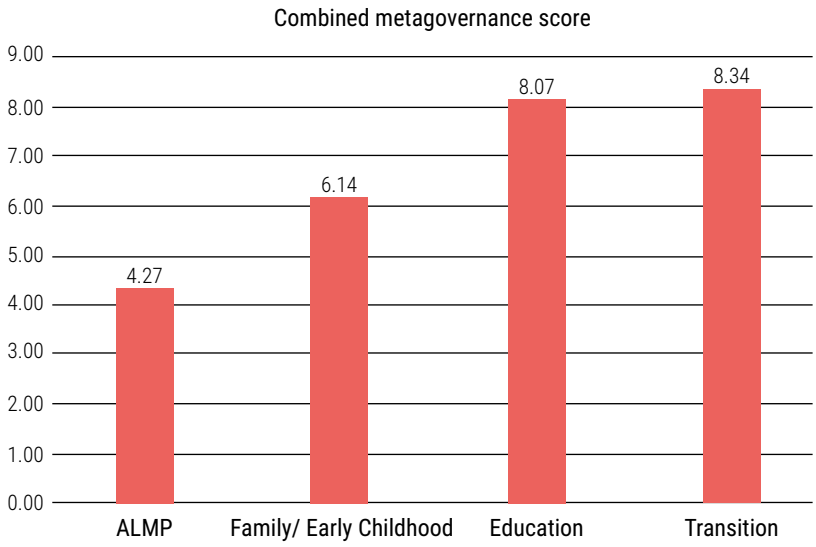

FIGURE 8.4: Combined metagovernance score per lead agency. Source: Own production; 3 single projects from health, infrastructure and integration were left out.

DISCUSSION: COMPARISON OF SOCIAL INVESTMENT ARRANGEMENTS

From our analysis of the expert interviews and the intervention and integration scores of metagovernance arrangements, we can conclude the following. First, we can see that horizontal coordination, as a necessary precondition for effective social investment policies at the local level, is no longer questioned. Our expert interviews reflect the widely shared acceptance of the assumption that solutions to complex social problems require collaborative interactions between multiple agencies. Second, our analysis reveals that public servants in state ministries are also aware of the challenges of creating and maintaining social investment networks at the local level. Public servants at the state level describe – in their own words – weak ties, structural holes, and internal and external legitimacy challenges as the typical pitfalls of networking at the local level, and they see the effectiveness of their policy programmes endangered.

Indeed, it has become important to understand how the characteristics of the actors' organisational structures affect the coordination between the actors (Jacobsen & Kiland, 2017). Third, we can show that public servants at the state level increasingly perceive it as their task to make these local networks work. Thereby, they are aware of the limited effectiveness of authority tools (Moseley & James, 2008) and refer to tools of metagovernance. We can thus observe policy learning at the level of state ministries.

Furthermore, we can presume from our empirical data that governance innovations are happening in particular in the field of ALMP as well as in early childhood education and in the transition phase from school to work (at least according to the assessment of the responsible public servants from ministries at the state level). This is in line with the literature on social investment policy in which both the labour market and family/early childhood education policies are viewed (Moseley & James, 2008) as the most decisive fields of social investment policies since they focus on "perhaps the most critical stage in the modern lifecycle course: that of transition into employment and family formation" (Plavgo & Hemerijck, 2020, p. 3). Interestingly, education plays a less important role – only in direct connection with underprivileged youths or labour market policies (transition policies).

A comparison of the projects of our sample reveals how governance innovations vary. In line with recent research on metagovernance, we observe that the choice of public metagovernors between hands-on and hands-off metagovernance differs from one policy issue to another (Sørensen & Torfing, 2009, p. 247). The differences between the most dynamic fields – ALMP, family/early childhood policies, and transition policies – are striking; while public servants clearly prefer a hands-off approach in the case of ALMP, a hands-on approach becomes evident in the fields of family/early childhood and transition policies. Both the number of policy fields integrated into the metagovernance arrangements and the number of tools of metagovernance are higher; within the different metagovernance instruments, those with a more interventionist character were chosen.

In the light of our expert interviews, we interpret the differences in the way in which metagovernance arrangements are designed as a reflection of actor constellations in the different policy fields. ALMP is a mature policy field with rather stable actor constellations; employer associations and trade unions as well as public employment agencies are considered as the main actors, with distinctly defined responsibilities. Early childhood education and family policies that encourage mothers to re-enter the labour market, in contrast, are still a comparatively new field in the German conservative welfare state, in which the male breadwinner model is still widespread. The boundaries of the family

and early childhood education field are still uneven, and actor constellations are rather instable. The design of their metagovernance arrangements provides evidence that public officials at the state level try to include as many actors as possible since clear lines of responsibilities are lacking. In addition, more metagovernance tools and metagovernance tools with a more interventionist character are adopted. From the choice of metagovernance instruments, we can see that state ministries are aware of the potential for political conflict in this field: positive frames ("door openers") and storytelling are widely used in these types of projects. This result is confirmed by other recent studies. For example, Jacobsen and Kiland (2017, p. 69) showed for the case of Norway that the creation of cooperative arrangements in the field of local child welfare services has led to stronger vertical coupling between the political level and the local child welfare services to strengthen political governance.

A positive assessment of the differences observed between the metagovernance arrangements would argue that the state ministries, as public metagovernors, manage the dilemma between hands-off and hands-on metagovernance (Sørensen & Torfing, 2009, p. 252 ff.) in an effective way. Hands-off metagovernance aims to maintain or increase the self-regulatory capacity of the network and is thus appropriate for fields like ALMP in which the self-regulatory capacity is already existent. In these cases, strong interventions would be counterproductive and very likely to result in conflicts between the governance network and the state ministries. Hands-on metagovernance, in contrast, aims to resolve internal conflicts and influence the content of policy solutions. This approach might be more appropriate for nascent policy fields.

A more critical assessment would argue that state ministries also lack the will and/or the political power to intervene in a more decisive way in fields like ALMP in a country like Germany, which still relies heavily on corporatist modes of governance. Only for the most vulnerable groups, like young scholars entering the labour market, are metagovernance arrangements with a hands-on approach politically feasible. However, other groups among the unemployed, which appear to be less vulnerable at first sight, for example unemployed people with mental health issues, are neglected. While the traditional corporatist actors – employer associations, trade unions, and public employment agencies – cooperate intensively in local networks, they focus mainly on labour market insiders or those who can easily re-enter the labour market. Only a decidedly hands-on metagovernance approach would "convince" these traditional actors to open their iron triangle to cooperate with other local actors, such as social workers and addiction or debt counsellors.

From our empirical data, we cannot give a final answer to the question of which of the two interpretations describes the empirical reality better (the

interpretations might also differ across the 16 states). However, in an overall assessment, we can conclude that our findings support Plavgo and Hemerijcks's (2020, p. 2) realistic assessment that it is still difficult to speak of a coherent social investment paradigm. Overall, social policies continue to be compartmentalized across sectoral ministries – only social investment projects with a limited duration and limited financial capacity challenge these silo structures. With respect to the management of these projects, the potential of metagovernance tools is not yet fully used, particularly when considering the calibration and combination of different metagovernance tools.

CONCLUSION AND OUTLOOK

This chapter has researched the metagovernance arrangements used by state ministries to promote horizontal coordination among local networks for social investment policies. The findings of our study indicate that change is taking place regarding the operational dimension of social policy. Much effort is being made to cooperate across the borders of organisations and policy fields to overcome compartmentalized problem-solving structures, which have proven to be ineffective for handling complex social problems. The results also suggest that politicians and public servants in charge of designing implementation arrangements for social investment programmes increasingly perceive themselves as metagovernors; they are aware of the typical pitfalls of local network governance, and they know that they can make a difference by using tools of metagovernance. The legal and financial frameworks designed for social investment projects provide incentives for cross-cutting coordination, newly created local networks are supported through discursive framing, cooperation between local actors is facilitated through the establishment of service units, and compulsory procedures are introduced. Sometimes, metagovernors even participate directly in the management of social investment projects to encourage horizontal coordination.

Against the background of the institutional setting of social policy in Germany, which is traditionally characterized by strong horizontal and vertical fragmentation, the observed positive stance towards the metagovernance of local networks can be interpreted as policy learning. Nevertheless, our results also reveal the limitations of this process. So far, the metagovernance efforts have focused only on a small number of policy fields; furthermore, metagovernors have not yet fully exploited the potential for combining and mixing different tools of metagovernance in a strategic way. We conclude that not only do local network actors need to be continuously encouraged to learn to use new instruments, metagovernors, as well need to learn to adopt tools of

metagovernance in a cautious way. To this end, further research is necessary to understand fully how metagovernors cope with their new roles. What types of challenges do they experience? What skills, competences, and resources do they need to design effective metagovernance arrangements? Such knowledge would provide metagovernors with the opportunity to learn continually how to take advantage of tools of metagovernance.

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LIST OF INTERVIEWS

Interview I: representative of the Ministry of Labour, Integration and Social Affairs North Rhine-Westphalia

Interview II: representative of the Rhineland-Palatinate Ministry for Family, Women, Youth, Integration and Consumer Protection

Interview III: representative of the Ministry of Labour, Social Affairs and Integration of Saxony-Anhalt

Interview IV: representative of the Hamburg Department for Labour, Social Affairs, Family and Integration

Interview V: representative of the Baden-Wurttemberg Ministry of Economy, Labour and Housing

CHAPTER 9

External differentiated integration: EU macro-regional governance architectures and the inclusion of partner countries

Stefan Gänzle

ABSTRACT

Over the past three decades, the European Union has become an increasingly differentiated polity with respect to its functional and territorial characteristics. This also applies to the conception of so-called "macro-regions": Since 2009, EU Strategies for the Baltic Sea, the Danube, the Adriatic-Ionian and Alpine "macro-regions" have been developed and cover a territory of 19 EU member and nine partner states. By focusing on common policy challenges and problems in areas susceptible to functional cooperation, e.g., infrastructure development and environmental protection, the EU macro-regional strategies arguably seek to mobilize a range of actors across different jurisdictions and scales, thus boosting transnational contacts and relations between participating countries. This chapter examines the engagement of non-EU partner countries in a complex governance architecture using the analytical lens of experimentalist external governance. Drawing on a set of semi-structured interviews conducted in 2018/19, we first seek to map the scope of involvement of partner countries, and second, we examine the extent to which external differentiation follows a functionalist or, alternatively, foreign policy logic vis-à-vis third countries. The chapter ultimately demonstrates that foreign policy logics has superseded functionalist-driven technocratic networking between the EU and its neighbouring states.

Keywords: European Union, external differentiation, external and experimentalist governance, macro-regional strategies, EU partner countries, European Territorial Cooperation, functional cooperation, regional cooperation.

INTRODUCTION

> I think [the EU Strategy for the Danube Region, EUSDR] is important for my country, which wishes to join EU. In this context, my government approved participation of Moldova to the EUSDR … Still, participation in the EUSDR is happening due to the initiative of some people.
>
> (INTERVIEW WITH MOLDOVAN OFFICIAL, 9 JULY, 2018)

For a long time, European integration has been seen as a territorially confined process that would eventually result in an "ever-closer union" of its member states, as famously stated in the preamble of the Treaty of Rome. In the last two decades, however, the link between territoriality and functionality has become "ever looser" due to the growing differentiation of European integration – both internally and externally (Gänzle et al., 2020; Leuffen et al., 2013; Leruth et al., 2022; Leuffen et al., 2013; Holzinger & Schimmelfennig, 2012; Schimmelfennig et al., 2015; Schimmelfennig & Winzen, 2020). Internally, some EU member states have "opted out" from integration in areas such as economic and monetary union (e.g., Denmark); externally, some associated or partner states (e.g., Norway and Switzerland) have "opted in", partaking in policy domains such as justice and home affairs, particularly Schengen.

With new regional or functional formats in the framework of, for example, Baltic, Nordic, or most recently in the field of fiscal policy – Hanse cooperation (e.g., Schulz & Henökl, 2020) – the European Union seems to dwell on more flexible arrangements for cooperation and integration, ultimately sponsoring images such as "Europe as an empire" (Zielonka, 2006), "many Europes" (Schmitter, 1996) or "*petites Europes*" (DATAR, 2002; quoted in Dühr, 2018). The EU's "macro-regions", such as the ones in the Alpine or Danube region, are a pertinent case for "Europe on a smaller scale". Since 2009, altogether four macro-regions have been identified and covered by so-called "EU macro-regional strategies" (EU MRSs): They include the EU Strategy for the Baltic Sea Region (EUSBSR), the EU Strategy for the Danube Region (EUSDR), the EU Strategy for the Adriatic Ionian Region (EUSAIR) and the EU Strategy for the Alpine Region (EUSALP). In total, these macro-regional strategies address 19 members and nine non-members of the European Union to date. Nonetheless, the jury is still out on how these partner countries are effectively "integrated" into the EU's governance architecture across different scales, including private and public stakeholders from EU and non-EU countries, and how sustainable these arrangements are.

In the jargon of the European Commission, a macro-region comprises "an area including territory from a number of different countries or regions associated with one or more common features or challenges" (European Commission, 2009a, p. 1, original in bold). In their strategic focus, the EU macro-regional strategies set a deliberative process in motion between EU members and partner countries alike by which a set of objectives and measures is determined to address the challenges and opportunities of a macro-region. EU MRSs are placed at the interface of more established "regional cooperation" as well as

European Territorial Cooperation (ETC), with the aim of co-managing territorial spaces united by a physical feature and subject to the same environmental pressures for functional cooperation, such as climate change mitigation in the Alpine region.

Although geographically focused on macro-regions, EU MRSs have been forged to specifically address "place-based" challenges and opportunities and to promote mutual learning processes through "experimenting" with new forms of "governance architectures" (Gänzle, 2017a; Gänzle & Mirtl, 2017). The governance architecture has been underpinned by a set of "long-term political initiatives … on cross-cutting policy issues locked in commitments about targets and processes" (Borrás & Radaelli, 2011, p. 464), such as in regional economic development and environmental protection. The macro-regional governance architecture is built on a set of agreed-upon priority areas managed by a trans-governmental hub of "policy coordinators" supported by steering committees populated by delegated representatives of line ministries, NGOs, and representatives from the private sector from EU member and partner countries (Gänzle, 2017b).

These transnational networks identify and support projects and measures through the adoption of action plans and thus drive functional cooperation in their respective priority areas for better coordination and effective use of scarce resources. In principle, the objectives are to be supported by existing financial means from ETC, particularly the European Structural and Investment Funds (ESIF), going far beyond the budgetary scope of ETC.[1] At the same time, the scope of the emerging macro-regional governance architecture is constrained by the principle of the so-called "Three No's", which call upon the implementation of macro-regional strategies not to (1) result in any (major) additional costs, for example in terms of funding via the EU Cohesion policy, (2) not to trigger the establishment of any new institutions, and finally, (3) not to give rise to specific EU legislation devised for the macro-region (European Commission, 2009a, 5; see Schymik, 2011, pp. 5–6). The European Council introduced these principles to secure the support of member states not covered by a macro-regional strategy and were potentially suspicious about any form of territorially-bound EU budget allocation.

Against this backdrop, this chapter seeks to explore how third-country representatives have been integrated into the governance architecture that has been set up as part of the EU MRS. We assume that the success

1 ETC currently makes up for about 2.8% of the European Structural and Investment Funds (ESIF).

of external differentiation, i.e., partial integration of non-EU actors based on functionalist logics of collaboration, depends on how segments of their administrations deal with the EU MRS. Therefore, this combines experimentalist and external governance as conceptual tools for understanding the dynamics of external differentiation in the next section. The subsequent section will then discuss macro-regional trans-governmentalism as the hotspot for unfolding processes of external and experimentalist governance and differentiation in the EU's relationship with third countries and regions. It will map and discuss third-country participation in the EU's macro-regional strategies and conclude that, ultimately, a foreign policy logic prevails even in areas of cooperation that lend themselves to a functional logic of collaboration. This approach clearly resonates with Dag Ingvar Jacobsen's work on networked collaboration across scales, such as his ambition to determine the factors explaining, e.g., inter-municipal cooperation. Jacobsen and Kiland observed amongst other things the importance of political and administrative support combined with a sense of urgency on the other (Jacobsen, 2017; Jacobsen & Kiland, 2017) – a finding similar to the one put forth in this contribution.

EXPERIMENTALIST AND EXTERNAL GOVERNANCE IN EU MACRO-REGIONAL STRATEGIES

All EU macro-regional strategies – except for the EUSBSR because of the bilateral sanction regime between the EU and the Russian Federation since the Ukraine crisis – exhibit an external dimension. They encompass EU candidate countries such as Albania, Montenegro, and Serbia, along with potential candidate countries, like Bosnia-Herzegovina, and countries of the European Neighbourhood Policy (ENP) or Eastern Partnership such as the Republic of Moldova and Ukraine. Against this backdrop, we conceive of macro-regional strategies as forms of external horizontal differentiation by which non-EU countries are embraced as they belong to a territorial unit defined by functional needs for cooperation. Thus, the EU engages in a form of collaboration with these partners via external governance (Lavenex, 2004).

TABLE 9.1: The EU MRS member states and partner countries. Author's compilation.

	EUSBSR	EUSDR	EUSAIR	EUSALP
Endorsed in	2009	2011	2014	2015
EU members	Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, Sweden	Austria, Bosnia-Herzegovina, Czech Republic, Croatia, Germany, Hungary, Montenegro, Romania, Slovenia, Slovakia	Croatia, Italy, Greece, Slovenia,	Austria, France, Germany, Italy, Slovenia
EU partners	Belarus, Iceland, Norway, (Russia)	Moldova, Montenegro, Serbia, Ukraine	Albania, Bosnia-Herzegovina, Montenegro, Serbia	Lichtenstein, Switzerland
Number of EU members	8	10	4	5
Typology of EU-partner country association	2 EEA 1 ENP (not Eastern Partnership)	2 Candidate countries 2 ENP (Eastern Partnership)	2 Candidate countries 2 Potential candidate countries	1 EEA 1 Bilateral

The external governance approach mainly focuses on processes by which the EU's practices, norms, and policies are (partially) projected onto non-EU member states. This is of particular interest to the EU macro-regional strategies which, in their external aspects, "offer political frameworks for deepening relations with and among partner countries, based on the principles of mutual accountability, shared ownership and responsibility" (European Commission, 2018, p. 20) and extend significantly beyond the EU's current territory. According to Lavenex and Schimmelfennig (2009), external governance can provide a mechanism for developing greater interaction and cooperation, thereby helping move toward alternative forms of integration when regulative expansion is accompanied by the opening of organisational structures of policymaking. Hence, an external governance perspective on the EU's macro-regional strategies strongly focuses on the participatory elements used to draw non-EU countries, sub-national authorities and societal groups closer to the EU. External governance focuses on the scope of permeability of transnational and trans-governmental interactions and structures, particularly accounting for their organisational features. They tend to be organised as both formal and

informal networks based on horizontal ties between their members (Keohane & Nye, 1974; Lavenex, 2015; Slaugther, 2004). Deliberation and policymaking usually emphasize the coordination of regional, national, and EU legislative provisions as well as project development in the macro-regional framework. In contrast to engaging in the production or implementation of hard laws, the EU MRS subscribes to the formation of soft law. De-emphasising potential conflicts, macro-regional transnational cooperation stresses the role of coordination, mutual learning, and consensus-building, thus lowering "the hurdles for the participation of non-EU officials and [reducing] the scope for adaptation pressure" (Lavenex, 2015, p. 838).

To fully capture the dynamics of trans-governmental inclusion, though, the concept of external governance needs to be complemented by the notion of experimentalist governance, which can be grasped as a mode of EU governance coming close to the open method of coordination (Börzel, 2012). Experimentalist governance has been defined as "attempts to conceptualize the institutional innovations that actors in persistently uncertain domains have devised to make best use of the malleability of their circumstances while reducing the dangers it creates" (Sabel & Zeitlin, 2012, p. 424). Therefore, it can be understood as "a recursive process of provisional goal-setting and revision based on learning from the comparison of alternative approaches to advancing them in different contexts" (Sabel & Zeitlin, 2010, p.1). Although macro-regional strategies do not seek to create regulatory politics, they follow a recursive experimentalist policy style in various respects (Gänzle, 2017a). For instance, macro-regional strategies constitute broad frameworks and joint endeavours decided among authorities at different territorial levels of both EU member and partner countries. The significance of macro-regional strategies from an experimentalist perspective lies in their capacity to mobilize institutional and non-institutional actors toward policy goals that have been identified as central to the macro-region but that have somehow escaped the reach of the Union. The significance of macro-regional strategies themselves also lies in other areas, such as in their capacity to recombine the institutional structures created at various levels to manage and implement these policies in novel but fluid ways.

Theoretically, trans-governmental bodies can be seen as laboratories for experimentalist governance. In practice, domination by individual EU/member states may occur (Plangger, 2018); for some non-EU countries, participating in the EU MRS is geared toward capacity-building, rule transfer, and perhaps even symbolic representation underlining a country's ambition to join the EU rather than to genuinely collaborate (Lavenex, 2015, p. 839). In principle, collaboration may ultimately be underpinned by foreign policy or functionalist perspectives. From a foreign policy perspective, a country

would become involved in order to subscribe to the EU's regulatory outreach (external governance) in matters of economic development as a way to promote stability, democracy, and peace. In contrast, a functionalist logic would follow the idea of "creating Europe-wide epistemic communities whose technical truths transcend intergovernmental politics" (Shapiro, 1997, pp. 281–282). Whereas organisational inclusion in this case would reflect sectoral patterns of interdependence and discriminate between sectors rather than between countries, a foreign policy logic would ultimately mirror the overall hierarchy of a relationship between countries ranging from close-to-membership to minimal-prospects-of-membership or – in the jargon of differentiated integration – concentric circles of European states versus the concept of a sector-defined and -driven variable geometry.

Given the character of the EU MRS as a tool to foster cohesion in a functionally defined territory, one would expect a functionalist logic to prevail inside the macro-regional governance architecture. This is the core hypothesis that the remainder of the chapter seeks to address. In terms of methodology, the chapter draws on second sources of data: first, it is based on a thorough document analysis, and second, it relies on semi-structured interviews conducted with 10 third-country officials engaged in the management and implementation of the EU MRS (2014–2018). One important caveat applies as the focus will primarily be on the direct involvement of non-EU governmental partners in the macro-regional governance architecture; hence, participation of non-EU civil society representatives in both projects, such as the transnational programs or civil society advisory boards will not be addressed systematically.

THE DEVELOPMENT OF EU MACRO-REGIONAL STRATEGIES

The EU MRS developed from several institutional templates and policy roots (Gänzle, 2016) in the realm of European Territorial Cooperation (ETC) – more broadly, the Community's regional and structural policy – and various formats of sub-regional cooperation (Cottey, 1999, 2012; Dangerfield, 2016) such as the Nordic or Baltic Sea cooperation (Gänzle & Kern, 2016a and b). However, the EU enlargement rounds (2004–2007), which prominently turned the entire Baltic Sea into an almost common EU Sea, truly started the development of the first MRS. After the idea was launched by the Inter-Baltic group of the European Parliament in 2005 (Antola, 2009; Beazley, 2007, p. 14), the European Council eventually invited the Commission to prepare an *EU Strategy for the Baltic Sea Region (EUSBSR)* in 2007 (see Gänzle & Kern, 2016c).

The strategy-making process was accompanied by an open consultation procedure launched by the Commission's Directorate-General for Regional

and Urban Policy (DG Regio). The authors of the draft tapped into academic and practical expertise from various stakeholder and interest groups as well as from interested parties; sub-national entities and partner countries have been involved since the beginning (Schymik & Krumrey, 2009). Subsequently, an internal consultation among twenty Commission Directorate-Generals was started, and common challenges were assessed with regard to: 1) a clear need for public intervention, 2) the relevance of action at the macro-regional Baltic Sea Region level, and 3) the need for further action beyond existing initiatives (European Commission, 2009b, p. 6). The EUSBSR subsequently resulted in the establishment of a three-pronged governance architecture: first at the operational level, it built on both policy and horizontal action coordinators focusing on the implementation of jointly agreed objectives in the areas of the environment, infrastructure, and economic development, second, it involved national coordinators assuring harmonization among participating countries, and third, it relied on the High-Level Group of Member States to provide strategic guidance at the EU level.

The *EU Strategy for the Danube Region (EUSDR)*, in turn, was inspired by both the creation of the EUSBSR and the Union for the Mediterranean in the latter half of the 2000s. It also received substantial support from Austria and Romania (Ágh, 2016). The EUSDR includes 15 countries, nine of which are EU member states, three (potential) candidate countries, and two neighbourhood countries of the EU, altogether closely coordinating with the Directorate-General for Neighbourhood Policy and Enlargement Negotiations (DG NEAR). Furthermore, each of these three "membership" categories translates into different funding categories with distinct legal bases: The European Structural and Investment Funds are reserved for member states; the Instrument for Pre-Accession Assistance (IPA) for (potential) candidate countries; and the European Neighbourhood Instrument (ENI) for neighbours. Within the European Territorial Cooperation (ETC), the three sources can be combined into transnational and cross-border programs, thereby enabling cooperation projects at the EU's periphery. One example is the ETC's Danube Transnational Programme, which was adjusted to comply with the geographic definition of the Danube region (European Commission, 2016, p. 7). At the operational level of policy coordination, two EUSDR members (e.g., Baden-Württemberg and Croatia for the competitiveness policy area) jointly take responsibility for the management of policy areas. The EU MRS was also considered in the field of enlargement and the European Neighbourhood Policy (Hahn, 2014, p.1), whether in the framework of the so-called Berlin Process (a diplomatic initiative to revive regional cooperation) or of reports of the Commission on the review of the Neighbourhood Policy (European Commission, 2017, p. 9). The EU MRS

has established a level playing field with third countries, a feature that is ever more relevant in the EUSDR and in the EUSAIR.

With four of its eight members from outside the EU (Albania, Bosnia-Herzegovina, Croatia, Greece, Italy, Montenegro, Slovenia, and Serbia), the *EU Strategy for the Adriatic and Ionian Region (EUSAIR)* exposes the highest share of non-EU countries. The initiative draws from the Ancona Declaration adopted by the Adriatic-Ionian Council (AIC), the decision-making body of the Adriatic-Ionian Initiative (AII) (Cugusi & Stocchiero, 2016). The AII, in turn, was launched in 1999 following an Italian initiative as part of the Stability Pact for Southeastern Europe (Cugusi & Stocchiero, 2016, p. 173). Ultimately, the AII was established at the Summit on Development and Security on the Adriatic and Ionian Seas in May 2000, attended by the heads of states and governments of Italy, Albania, Bosnia and Herzegovina, Croatia, Greece, and Slovenia. Subsequently, the foreign ministers of the participating countries signed the Ancona Declaration, which seeks to strengthen regional cooperation to promote political and economic stability. This initiative was later extended to include Serbia and Montenegro.

Against the backdrop of this development path and somewhat rooted in the break-up of Yugoslavia (Cugusi & Stocchiero, 2016, p. 172), the need for an EUSAIR was reviewed by the European Commission in 2014 following a public consultation process conducted at the end of 2013. It was then endorsed by the European Council in September 2014. The objectives of the EUSAIR are organised in four mutually dependent pillars considered to be of strategic importance. These objectives include Blue Growth, Connecting the Region, Environmental Quality, and Sustainable Tourism. In terms of its governance architecture, two main levels complement the political level of cooperation: a Governing Board at the coordinating level and thematic Steering Groups at the implementing level. The Governing Board coordinates the work of the thematic Steering Groups in charge of implementation through strategic guidance with respect to the management and implementation of the EUSAIR and its Action Plan. The Governing Board is co-chaired by the country chairing, *pro tempore*, the AII.

Each participating country is represented by two formally appointed national coordinators – one senior official from the Ministry of Foreign Affairs and one senior official from the line ministry responsible for coordinating EU funds – as well as two formally appointed pillar coordinators and representatives from the Commission, the European Parliament, the European Committee of the Regions, the European Economic and Social Committee, the Permanent Secretariat of the Adriatic-Ionian Initiative, and the Managing Authority of the Interreg Adriatic Ionian (ADRION) transnational cooperation program.

Finally, four thematic Steering Groups cover each pillar. Special arrangements are in place under Pillar 2, with two sub-groups for transport and energy, respectively. The thematic Steering Groups are chaired on a rotating basis by two countries, involving one non-EU and one EU member state per pillar.

Similarly, preparations for the *EU Strategy for the Alpine Region (EUSALP)* – for Austria, France, Germany, Italy, Liechtenstein, Slovenia, and Switzerland – started well before the Council invited the European Commission to prepare a macro-regional strategy for the wider Alpine region in December 2013. This macro-regional initiative emerged at the interface of "three separate, but linked institutional contexts: The Alpine Convention, the Network of Alpine Regions and the Alpine Space Programme" (Balsiger, 2016, p. 190; see also Debarbieux et al., 2015). The origin of the Alpine Convention dates back to the early 1950; it was signed in 1991 by the seven Alpine states of the EU's Alpine Strategy and Monaco. In addition to this NGO-driven process, the Alpine states and sub-national authorities have been involved in co-operative platforms since the 1970s, such as the Arge-Alp (an association of 10 *länder*, provinces and cantons from Austria, Germany, Italy, and Switzerland), COTRAO (an association of regions and cantons from France, Italy, and Switzerland), or the Zurich Process of 2001, which joins the transport ministers of Austria, France, Germany, Italy, and (since 2005) Slovenia. Finally, the Alpine Space Programme has provided financial resources under the European Regional Development Fund since the late 1990s. All of these pre-EUSALP initiatives bring together different arrangements of institutional stakeholders, objectives, and memberships. The macro-regional approach has been justified by creating a joint platform for addressing common and intersecting challenges and opportunities; after all, issues such as the ownership of water resources and (transit) transport cannot be solved without a concerted effort extending beyond the scope of the Alpine Convention, which is exclusively concerned with the mountainous parts of the Alpine region.

The EUSALP followed the script of the previously launched MRS *vis-à-vis* public consultation, which took place from July to October 2014; 300 contributions were received, which was three times more than in the EUSDR. Drawing from the consultation, the European Commission adopted a communication and action plan in mid-2015, and the EU Council endorsed the EUSALP in June 2016. Like other MRSs, the EUSALP priorities thematically include economic development and accessibility and environmental protection, including renewable energy solutions and the establishment of a sound macro-regional governance model as cross-cutting objectives. Similar to the other MRSs, but differing in terminology, the EUSALP is based on three interrelated levels. First, there is a general assembly at the political level that sets forth political

guidelines and leadership, which is composed of state representatives (including all regions that partake in the Strategy), the European Commission (as facilitator) and the Alpine Convention (as observer). Second is an executive board of national coordinators, the European Commission, the Alpine Convention, and the Interreg Alpine Space Programme as advisors at the level of coordination. Third, there are nine action groups in which the EUSALP priorities have been organised at the implementation level. Action Groups are composed of representatives from national, regional and local levels. As many capital cities are located far from the Alps, regions have become the main drivers of the process of EUSALP implementation. The political role of these regions is also expressed by the establishment of a General Assembly.

Across all macro-regional strategies in operation at the time of writing, the existing governance architecture provides three entry points for third-country involvement. Firstly, the group of national coordinators responsible for coordinating the strategies admits representatives from all macro-regional member states (including non-EU countries) of a given macroregion. Secondly, representatives from non-EU countries work as policy coordinators (EUSBSR), priority area coordinators (EUSDR), pillar coordinators (EUSAIR), and Action Group Leaders (EUSALP) at the strategic and operational levels; they are responsible for coordinating and implementing the strategy in a certain thematic field (Gänzle, 2017). Leaving the EUSBSR aside, 33% of priority area coordinators (EUSDR), 50% of pillar coordinators (EUSAIR), and 11% of Action Group Leaders (EUSALP) are from non-EU states. With the exception of the EUSALP, the number of partner countries represented in these transnational working structures reflects the overall strength of partner countries in these three macro-regional strategies. Thirdly, the steering groups support the tasks of the policy coordinators (EUSBSR), priority area coordinators (EUSDR), pillar coordinators (EUSAIR), and Action Group Leaders (EUSALP) and are open to the participation of non-EU countries from a given macro-region, particularly the EUSDR, EUSAIR, and EUSALP.

PARTICIPATION OF THIRD COUNTRIES IN THE EU MRS GOVERNANCE ARCHITECTURE

Several non-EU partner countries participated in the consultation process, leading to the subsequent drafting of macro-regional strategies by the European Commission. For the EUSDR, a Moldovan official maintained: "Our proposals for the process of drafting the strategy have been taken into consideration" (Interview with Moldovan official, April 30, 2014). The Ukrainian and Moldovan governments and other non-EU countries contributed policy proposals to the

consultation (Dörrenbächer & Bochmann, 2011, p. 3). Subsequently, the annual fora of the EU macro-regional strategies provide other regular opportunities for the discussion, exchange, and networking of stakeholders and officials dealing with the EU MRS.

The first formal entry point for involvement is the national coordinator group. It is open to partner countries, but not all of them have appointed national coordinators. For instance, Bosnia-Herzegovina is a member of both the EUSAIR and EUSDR but has not appointed a national coordinator for the EUSDR: "Bosnia and Herzegovina effectively participate only in the implementation of the EUSAIR. Although Bosnia and Herzegovina are members of the EUSDR, the implementation of the EUSDR is questionable since the national coordinator and related structure have not been appointed" (Bosnia-Herzegovina, 2018, p. 2). However, this seems to be an exception, as most other partner countries have appointed at least one national coordinator. In some cases, the overviews published on the websites of the EU MRS not only refer to several persons but also to those who are not affiliated with a ministry. In the Ukraine, the Institute for International Politics is mentioned in addition to a national coordinator based in the Ministry of Regional Development on the EUSDR website (accessed on 31 July, 2018). However, not all of the national coordinators are recognized as being active:

> Although the National Coordinator was appointed a couple of years ago, there has been no real progress since then. The approach to the EUSDR is still formal: It's declared that "the EUSDR is important to Ukraine", but actually nothing has been done at the governmental level to foster Ukraine's involvement in the EUSDR. (Interview with Ukrainian NGO, 25 July, 2018)

The second path toward direct involvement is provided by participation of one of the two or several priority coordinators, pillar coordinators, or action group leaders. This needs to be decided jointly by the members participating in a macro-regional strategy and the European Commission. Whereas Serbia, for example, is represented by three pillar and priority area coordinators; Albania, Bosnia-Herzegovina, Moldova, Montenegro, and Switzerland have nominated only one coordinator each. Their tasks provide ample opportunity for coordination and, perhaps even more, networking. In the words of one priority area coordinator:

> For me, it is a good experience that helped me to grow professionally. As PAC, my main task is establishing and maintaining the network of national counterparts relevant to the PAC (steering group), enlarging the network of stakeholders…,

> providing information for the initiation of new projects and initiatives, and raising public awareness and information of stakeholders about ongoing activities of [our priority area]. (Interview with Moldovan official, 9 July, 2018)

Whereas some priority area coordinators from partner countries – particularly Serbia – have been applauded by other PA members, others have been found to be rather "reluctant to engage" at times (Interview with member of EUSDR PAC 8 Steering Group, 30 January, 2015). Serbia is amongst those members of the EU MRS to have nominated "strong personality" (Interview with Serbian official dealing with EUSDR, 4 July, 2018) in hierarchical terms since, for example, one of its priority area coordinators is a state secretary. These positions are held in high esteem by the partners who hold them; they are seen as an important cornerstone for a country's full integration into the EU MRS: "In my opinion, we are integrated into the EUSDR structure, since we are coordinating PA9, have NC, and we are included in the decision-making body of the EUSDR" (Interview with Moldovan official, 9 July, 2018). In fact, some non-EU member countries perceive the lack of an official position as a coordinator of one of the priority areas in EUSDR as "[limiting] the room for more active participation" (Interview with Montenegrin official, 9 July, 2018). This may explain why some non-EU partner countries have been quite eager to secure positions of priority area coordinators for themselves in the future, such as in the case of the EUSDR. Matching one EU member state with a non-EU country in assuming the coordination was found to be useful as it "provides an opportunity for learning" (Interview Serbian official dealing with EUSAIR, 20 June, 2018).

The third way of becoming directly involved is provided by participation in steering groups to support the work of priority area coordinators, particularly in the EUSDR. In fact, the EUSDR developed this organisational feature, which was then subsequently introduced in other macro-regional governance architectures. Attendance at steering group meetings, which usually take place twice a year, varies quite significantly between the countries – including the non-EU partner countries. In light of financial, institutional, and other challenges, a country's specific needs may affect the rate of attendance. For instance, Montenegrin representatives have been found to be "most active in the working groups within the priority areas of Strategies 2, 7, 8, and 9" (Interview with Montenegrin official, 9 July, 2018). These policy areas seem to be a more urgent need to the government of Montenegro.

DISCUSSION AND CONCLUSION: FROM FUNCTIONALIST TO FOREIGN POLICY LOGIC IN EXTERNALLY DIFFERENTIATED INTEGRATION

This chapter has sought to understand the extent to which participants from non-EU countries have been integrated (external differentiation) into the (experimentalist) governance architecture defined by the EU MRS. We have distinguished between a foreign policy and a functionalist logic driving collaboration; we assumed that the overall functionalist design and motivation of cooperation would spur a functionalist logic. However, this was not the case. Although the EU MRS may originally have started from a functionalist-territorial nexus in order to spark collaboration, ultimately a foreign policy logic prevailed, determined by the quality and scope of the association relationships' structure. Put differently, regardless of the functional need for cooperation, what ultimately defines a non-EU partner in the EU MRS is whether it is considered a credible candidate, a potential candidate, or an ENP country with no immediate prospect of joining the EU, if at all. Still, the EU macro-regional strategies function as test beds for strategy formation in general and forms of externally differentiated integration in particular, underpinned by trans-governmental relations.

Clearly, the scarcity of material resources and administrative capacity (Ukraine and Moldova), internal divisions (Bosnia-Herzegovina), and the lack of strategic vision constrain the involvement and furthering of several non-EU partner countries. In countries that have considerably advanced toward EU membership, such as Montenegro and Serbia, a selective approach persists, favouring elements of the respective EU MRS that best serve the "national" interest, including accession negotiations. Interestingly, most of the non-EU partner representatives emphasised the role assumed by "pillar coordinators" and "priority area coordinators", who are seen as *loci* for mutual learning and for sharing best practices and experiences as well as important elements of trans-governmental cooperation and coordination in the macro-regional framework. Inter-ministerial working groups, somewhat internally mirroring the logic of trans-governmental governance architectures, again seem to be most advanced in countries currently negotiating the terms of EU accession.

The lack of strategic vision in partner countries also has important implications for the European Union and should serve as a reminder that functionalist needs are important steppingstones toward future integration; however, the functionalist logic needs to be underpinned both visibly and intangibly. It therefore comes as no surprise that one suggestion for substantially drawing Western Balkan countries closer to the EU – while there is not yet a concrete prospect for joining – would be their inclusion in the EU cohesion policy, on par with other member states. The foreign policy logic, in turn, reminds us of

the interests of certain EU member states that harbour particular interests in the Western Balkans, particularly Austria, Germany, and Italy. In the aftermath of European Commission President Juncker's declaration in 2014, to freeze expansion over the next five years, macro-regional strategies still provided some evidence of the EU's commitment *vis-à-vis* the countries of the Western Balkans as some form of external differentiated integration – if full integration is yet to be achieved. These lessons are important for other European countries confined in some form of geopolitical limbo, such Belarus or Ukraine. From that perspective, the EU MRS needs to be understood in a more geopolitical context as a means of countering the investment interests and initiatives of the Gulf States, Russia, Turkey, and China in the Western Balkans by bringing regional and external policies closer together and reproducing European integration on a smaller territorial scale as a "petite Europe", as referred to by Dühr (2018). However, functionally framed collaboration based on the premises of soft law – as transnational governance often is – seems to be a futile effort in the presence of resolute foreign policy actors (such as China and Russia increasingly are) in South-Eastern Europe in particular.

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PART III

THE COMPLEX AND EVOLVING RELATIONSHIP BETWEEN POLITICS AND ADMINISTRATION

CHAPTER 10

Questioning the administrative impact on democratic innovations

Signy Irene Vabo

ABSTRACT

Politicians depend on administrative capacity in order to plan and implement democratic innovations. Democratic innovations are government-initiated participatory processes involving citizens and local officials in policymaking concerning problems that affect them. Based on the literature on democratic innovations – Public Value and New Public Governance – the essay shows how not only politicians, but also administrators are assumed to want to seek out interaction and dialogue with citizens. However, if administrators' approach to citizen interaction is different to and/or in conflict with that of elected representatives, the influence exercised by the administration on public policy may pose a challenge to representative democracy. The question explored in this essay is: to what extent, and under what circumstances, are elected representatives and administrators presumed to have diverging or converging needs when it comes to interaction with citizens? Based on a systematic review of the literature, a framework is presented for analysing the potential for participatory innovations to support the role played by elected representatives. The analytical framework is based on a categorisation of various needs for interaction, combined with considerations about who controls the participatory arenas in question. An empirical example from Danish and Norwegian local governments illustrates the use of the framework for analysing a specific democratic innovation.

Keywords: New Public Governance, public value, democratic innovations, citizen interaction, task committees, administrative capacity.

DEMOCRATIC INNOVATIONS ON THE AGENDA

To initiate new policy and redefine well-known policy problems, politicians are dependent on administrative capacity. The same is true when it comes to *democratic innovations*. Democratic innovation refers to government-initiated participatory processes involving citizens and local officials in policymaking concerning problems that affect them. Democratic innovations are flourishing nowadays, especially at the local level (e.g., Smith, 2009; Geissel & Joas, 2013; Nabatchi & Leighninger, 2015; Edelenbos & van Meerkerk, 2016; Heinelt, 2018; Hertting & Kugelberg, 2018). It is thought that the need for such innovations stems from the declining support for traditional parties, as well as the need to increase or maintain the legitimacy of the representative democratic system (e.g., Mair, 2013; Sørensen, 2020).

However, in the literature on more recent governance paradigms, societal involvement is taken for granted, and it is not just elected representatives who are searching for interaction and dialogue with citizens. According to Torfing et al. (2020), the two governance paradigms that are especially concerned with societal involvement today are Public Value and New Public Governance. In the literature on Public Value (PV), administrative officers need a direct line to citizens through which they can seek guidance (e.g., Moore, 1995; Nabatchi, 2012; Sancino et al., 2018). Similarly, the New Public Governance (NPG) paradigm focuses on participation in public and private collaborations. There is a need to respond to organisational fragmentation, and to solve complex problems, and to do collaborative governance based on networks and partnerships involving public officials – that is, elected representatives as well as administrators – is necessary (Osborne, 2006; 2010; Rhodes, 2016; Sørensen & Torfing, 2018).

The question explored in this essay is to what extent, and under what circumstances, elected representatives and administrators are assumed to have diverging and converging needs for interaction with citizens, according to this recent body of literature. The aim is to build an analytical framework for analysing the consequences of such differences in needs, in cases when democratic innovations are introduced. Because politicians are dependent on administrative capacity to establish arenas and implement formal types of interaction with citizens, such diverging needs may have very important consequences. For instance, rather than supporting elected representatives' need for interaction with citizens, administrative needs might be prioritised instead – and measures may be introduced to innovate democracy that might not serve politicians well after all. We know very well that bureaucracies influence policymaking. Due to the fact that administrators are normally neither elected nor directly accountable to the citizens they serve, their substantial impact on public policy may turn out to pose a democratic threat. However, the influence exercised by the bureaucracy on public policy is a challenge for representative democracy only when there are significant differences – in attitudes, interest, and values – between administrators and politicians (Jacobsen, 2012).

There are, so far, very few contributions in the literature that empirically investigate the demand for interaction with citizens among politicians and administrators respectively (although see Eckerd and Heidelberg, 2019; Hendriks and Lees-Marshment, 2019). To tap into differences in politicians' and administrators' needs for interaction with citizens, the essay draws on literature on democratic innovations as well as literature on Public Value and New Public Governance since these two governance paradigms are

especially concerned with societal involvement. The literature on democratic innovations is included as a likely source of knowledge about how politicians' needs are met by interaction with citizens. The Public Value and New Public Governance literature is addressed because it places particular emphasis on societal involvement in these public governance regimes (Torfing et al., 2020), and is therefore likely to offer arguments about administrators' needs for interaction with citizens. A review of related concepts, such as "interactive governance" and "participatory governance", was considered. The two chosen governance paradigms are, however, by far the best established in the literature and represent the breadth of arguments about interaction with citizens.

Based on a systematic review of the most frequently cited articles within the above bodies of literature, I elaborate on the degree of divergence and convergence in anticipated needs for interaction with citizens. In addition to politicians' and administrators' needs for interaction with citizens, I searched for further relevant contingency factors defining the context for democratic innovations in the reviewed literature. Based on this, an analytical framework is presented, as well as an empirical example, to illustrate how the framework may be utilised for analysing the prioritisation of politicians' and administrators' needs for interaction with citizens in specific cases of democratic innovation. The empirical example is retrieved from a study of a democratic innovation aimed at strengthening the role of elected representatives in local governments in Denmark and Norway. The essay concludes with a summary of the main conclusions.

METHODS AND DATA

The literature review is based on a search conducted in the ISI Web of Knowledge, Web of Science Core Collection (1900–present). The most frequently cited English language articles within the subject areas "public administration" and "political science" are included. To cover both classic and the more recent contributions in each field, separate searches were carried out for the period 2019 and before; and for the five-year period 2015–2019. Review articles were excluded as these do not fully represent the original contributions and tend to be disproportionately frequently cited. Further details on the literature search may be found in Table 10.1.

TABLE 10.1 Details on the six literature searches in ISI Web of Knowledge

Topic[1]	Period	Number of articles
democratic AND innovation*	1993[2]–2019	275
democratic AND innovation*	2015–2019	156
public AND value	1933[2]–2019	4153
public AND value	2015– 2019	1814
new AND public AND governance	1994[2]–2019	1453
new AND public AND governance	2015–2019	700

[1] Topic (TS), search the following fields within a record: title, abstract, author keywords, keywords plus
[2] First publication registered in the ISI Web of Knowledge database.

From each field of literature, the most cited articles for the two selected time periods were assessed, and ten relevant articles from each field were chosen. The most cited articles were chosen to represent the predominant arguments about needs for citizen participation referred to in the literature. The articles that formed the basis for the analysis are listed in Table 2. Because some of the articles are among the most frequently cited in two of the three fields of literature, a total of 24 articles was identified once the duplicates were removed.

TABLE 10.2: The 24 articles included in the analysis, as per field of literature (duplicates indicated with *)

Democratic Innovation – 2019	Democratic Innovation 2015–2019	Public Value – 2019	Public Value 2015–2019	New Public Governance – 2019	New Public Governance 2015–2019
Goodin & Dryzek, 2006	Fung, 2015*	Denhardt & Denhardt, 2000	Fung 2015*	Stoker, 2006*	Denhardt & Denhardt, 2015
Fung, 2015*	Osborne, 2018	Stoker, 2006*	Osborne et al., 2016*	Bingham et al., 2005	Sørensen & Torfing, 2017*
Osborne et al., 2016*	Hendriks, 2016	O'Flynn, 2007*	Hardyman et. al., 2015	Vigoda, 2002	Rhodes, 2016
Lowndes, 2008	Sørensen & Torfing, 2017*	Jørgensen & Bozeman, 2007	Bryson et al., 2017	O'Flynn, 2007*	Sicilia et al., 2016
Wampler & Avritzer, 2004	Torfing & Ansell, 2017	Fishkin & Luskin, 2005	O'Toole, 2015	Osborne, 2012	Hong, 2016

Utilising the qualitative data analysis software, NVivo, the selected body of literature was coded according to whether the needs for interaction with citizens described in the text concerned politicians or administrators respectively. The three sources of literature were not separated, since the body of literature was analysed as a whole.

The democratic innovation used as an example in the essay is retrieved from a research project carried out in 2018 on Norwegian and Danish local governments that investigated democratic innovations. Data from the two municipalities in question, which both implemented task committees – Gentofte in Denmark and Svelvik in Norway – consists of 47 semi-structured interviews with 26 different councillors. In addition, the examples draw on evidence from the final evaluation reports on the workings of the task committees (Sørensen & Torfing, 2016; 2019).

ON THE THREE BODIES OF LITERATURE ANALYSED

Democratic innovations refer to government-initiated participatory processes involving citizens and local officials in policymaking about problems that affect them. Democratic innovations – for example citizen juries, deliberative polls and participatory budgeting – are also sometimes termed *participatory innovations* (Fung, 2015). The literature is relatively limited and young, with the first publication registered in 1993. *Public Value* refers to the governance paradigm first put forward by Mark Moore in his seminal book, *Creating Public Value,* published in 1995. Public value refers to the positive impact that public interventions may have on societal problems and social needs. Responsibility for public value production is placed on public managers. To gain support for the social purpose they want to pursue, however, they need legitimacy, which can be garnered by involving social and political actors in discussions about what public value is, as well as in its production (Torfing et al. 2020:105). Public value is registered as a topic in journal articles as far back as 1933, and the literature is extensive, reflecting the fact that "public value" is also a general term that has been debated for as long as public administration has existed. Only in recent years has the term been associated with Public Value in connection with the governance paradigm created by Mark More. In the other governance paradigm included in the review, *New Public Governance,* mutual dependence on and collaboration with public administration are stressed, especially between public and private actors in networks and partnerships. The basic premise is trust-based steering and considerable room for administrative discretion allowing for

dialogue with users, citizens and stakeholders to mobilise resources (Torfing et al. 2020:125). Like "public value", "new public governance" emerged as a topic in the literature after 1994 – years before the field expanded as a result of Osborne's definition of New Public Governance as a paradigm in 2006 (and 2010).

The governance ideas cited in the reviewed literature on Public Value and New Public Governance proliferated as a reaction to the New Public Management (NPM) paradigm of the 1980s. Contesting the classic public administration ideas associated with Wilson and Weber, NPM focused on users' needs and satisfaction, and put pressure on public authorities to become more responsive to citizens as clients. However, the reviewed literature maintains that NPM encourages passivity among the citizenry. The focus is, moreover, intraorganisational, and NPM does not reflect the increasingly interorganisational and interactive way in which administrative agencies operate and public services are provided (Vigoda, 2002; Osborne, 2012; Torfing et al., 2020). Osborne et al. (2016, p. 640,641), for example, emphasise that public value is more than the sum of public service producers' or users' individual preferences (see also Denhardt and Denhardt, 2000; Vigoda, 2002; Bingham et al., 2005; Stoker, 2006; O'Flynn, 2007; Fung, 2015; Rhodes, 2016).

THE VARIOUS NEEDS FOR CITIZEN INTERACTION IDENTIFIED IN THE LITERATURE

In the following, needs for citizen interaction identified in the three bodies of literature – democratic innovations, Public Value and New Public Governance are discussed. Thus, this summary of the most-cited literature is intended to represent current academic arguments concerning politicians' and administrators' need for citizen participation.

A first theme in the literature is the variation in democratic innovations; that is, the many kinds of citizen participation that exist. Bingham et al. (2005), for example, draw attention to public agencies engaging in activities ranging from the legislative or quasi-legislative to the judicial or quasi-judicial. "Quasi-legislative processes in the new governance include deliberative democracy, e-democracy, public conversations, participatory budgeting, citizen juries, study circles, collaborative policymaking, and other forms of deliberation and dialogue among groups of stakeholders or citizens. Quasi-judicial processes include alternative dispute resolution such as mediation, facilitation, early neutral assessment, and arbitration" (Bingham et al. 2005, p. 547).

In the literature examined, the predominant argument for inviting citizens into such different participation arenas is that this may increase *legitimacy*.

By introducing citizen participation into the policymaking process, *perspectives that are more closely aligned with those of the general public will be taken into account.* Citizens generally seek pragmatic flexibility between the role of clients/customers and the position of equal partners, and they resist being treated as subjects or as simple voters (Vigoda, 2002; Fung, 2015). The present complexity in governance is acknowledged, and it is accepted that government activity is interconnected and interdependent and, as such, may require more collaborative effort when it comes to pursuing public value (Hirst, 2000; Vigoda, 2002; Stoker, 2006; O'Flynn, 2007; Lowndes, 2008; Denhardt & Denhardt, 2000; 2015; see also Hirst, 2000). In the literature examined, mini-publics and participatory budgeting, in particular, are discussed as relevant ways of including the public in policymaking. As for participatory budgeting in Brazil, where this democratic innovation was first introduced in the 1980s, citizen participation was also essential in pressuring traditional local politicians to *combat clientelism, patronage, and corruption*. Here, civic society organisations and social movements promoted open meetings, public deliberations, and transparent implementation processes to overcome the enduring political legacies of military authoritarianism (Wampler & Avritzer, 2004). Participatory processes may also promote *empowerment*, at least in a psychological or sociological sense, if not in a legal or political sense (Goodin & Dryzek, 2006; Fishkin & Luskin, 2005; Hendriks, 2016). In addition, the fact that *citizens learn and develop* through contact with the public sector is essential (Denhardt & Denhardt, 2000; Jørgensen & Bozeman, 2007, p. 268, 369).

The message is that democratic innovations are necessary to counteract the severe problems facing representative democracy. Given that elections do not encourage dialogue between governors and governed, organised publics can serve as arenas for dialogue with government, and for holding government to account, or so the argument is stated (e.g., Hirst, 2000; Stoker, 2006; Lowndes, 2008; Fung, 2015, Ansell & Torfing, 2015; Sørensen & Torfing, 2017). Thus, the basic argument in the literature is that citizen participation is needed to rescue representative democracy; people need to be brought closer to the political processes affecting them. The question, then, is how elected representatives and administrators are assumed to gain from the participatory efforts organised.

ELECTED REPRESENTATIVES' ANTICIPATED NEED FOR INTERACTION WITH CITIZENS

The role of elected representatives is not grounded in any of the literature reviewed. It is emphasised, however, that politicians and administrators "live in a closed world of overlapping roles and responsibilities" (Rhodes, 2016, p. 644), and are therefore dependent on one another to carry out their roles. This is regarded as an important acknowledgement. Denying that politics – understood as something apart from party politics – forms part of the management system is regarded as a failure in former public administration regimes (Stoker, 2006, p. 46). Interestingly, the literature gives the impression that many kinds of participatory measures started out as administrative initiatives and were subsequently taken over by politicians. Fung (2015), for example, suggests that just a decade ago different kinds of "mini-publics" emerged as venues for direct citizen participation, instigated primarily by administrative agencies or actors outside the government. Today, however, we see that important mini-publics are also created by politicians.

Although few contributors explicitly address the kind of promising gains that elected representatives will obtain from citizen participation, Goodin & Dryzek (2006) reflected more specifically on how the output of mini-publics might be taken up in, or inform, the policy process. Mini-publics could, for example, connect with legislative committees, as an institution of *public deliberation* and therefore an important site for policy work undertaking much of the *"creative, cooperative work"* of legislatures (Hendriks, 2016). For elected representatives who want to *"market-test" their proposals,* mini-publics might answer the question about whether a proposal can be "sold" or not. In the latter case, mini-publics serve the same role as much of the consultative apparatus that was traditionally used by governments, for instance public inquiries and Green Papers in the United Kingdom, and remiss procedures in Scandinavia (see also Bingham et al., 2005).

Moreover, Denhardt and Denhardt (2000, p. 555) emphasised the need for political leadership, arguing that policies and programs *meeting public needs most effectively and responsibly* can be achieved through collective efforts and collaborative processes. Similarly, in contrast to the network management literature, which is primarily interested in how public managers can get things done by creating well-functioning networks, the influence of elected representatives as "metagovernors" is introduced into debates about how networks can contribute to *interest mediation and the achievement of overall political goals* (Sørensen & Torfing, 2017). Lastly, when discussing the need for *innovation* in the public sector, Torfing and Ansell (2017) maintained that in Western democracies, the range of actors who provide input to pol-

iticians tends to be limited to executive administrators, policy experts and lobbyists. More open and systematic collaboration with and between public and private actors can, they argue, "…enrich politicians" *understanding of policy problems*, help them to challenge reigning policy paradigms, stimulate *creative problem-solving*, facilitate a comprehensive *assessment of risks and gains* of new and bold solutions, provide *complementary resources*, and help build common ownership that *ensures implementation*" (Torfing & Ansell, 2017, p. 38).

ADMINISTRATORS' ANTICIPATED NEED FOR INTERACTION WITH CITIZENS

According to the reviewed literature, public administration enhances *democratic legitimacy*. The basic argument is that public values, political legitimacy and responsible government are mutually reinforcing (Stoker, 2006; Jørgensen & Bozeman, 2007; Bryson et al., 2017). Public Value Management provides a framework for building more extended exchanges between governors and governed than is possible in formal representative democracy with its occasional elections. Other actors also having valid claims to legitimacy include business partners, neighbourhood leaders, those with knowledge about services as professionals or users, and those in a position of oversight as auditors or regulators (Vigoda, 2002; Stoker, 2006; O'Flynn, 2007; Osborne et al., 2016; Sørensen & Torfing, 2017). Participation is not simply good in and of itself, the argument is stated, but *carefully crafted* citizen participation can underpin the values of *good governance* (Fung, 2015). Indeed, considerations of *fairness and equity* play an important role in public service delivery, and in many cases are more important considerations than the desires of the immediate customer (Bingham et al., 2005).

The literature suggests that administrators' interaction with citizens, in addition to enhancing democratic legitimacy, may make government more *effective* (e.g., Denhardt & Denhardt, 2015; Sørensen & Torfing, 2017). Stoker (2006) drew attention to the fact that democracy may help to *provide solutions* by enabling actors to exchange and learn from one another; and the literature offers various instrumental arguments in favour of citizen participation and cooperation with stakeholders. Fung (2015) showed that greater citizen participation increases the effectiveness of government agencies by providing *more information* and insight into the *distinctive capabilities and resources of citizens*. More specifically, he stated that citizens can make several important contributions to solving complex problems, like

helping to frame a given problem in more accurate and viable ways than professionals acting alone could do; and *adjudicating* decisions involving ethical or material trade-offs. Representing the most affected group, citizens may also be well placed to *provide information relevant to devising solutions and evaluating implementation and* – if directly engaged in solving public problems – to *contribute with additional resources through co-production* (see also O'Toole 2015).

The literature examined also includes articles specifically on the co-production of public services. Some scholars, like Osborne et al. (2016), emphasized the individual dimension of co-production, arguing that co-production leads to the *co-creation of value for the service user*, comprising their satisfaction with the service, the impact of the service experience upon their well-being, and the extent to which it meets their social, health or economic needs. However, the role of user is regarded as based in the broader societal role: exploring value co-creation through, for instance, patient engagement at the micro level, is regarded as important for health care practice and policy, and presents opportunities to enhance initiatives to interact at the meso and macrolevels (Hardyman et al., 2015, p. 93, 94; Osborne et al., 2016, p. 245). Other scholars address the wider role of citizens in the co-production of public services, involving not only service users, but also citizens, volunteers, non-governmental partners, or other groups of people. In the latter case, public meetings, advisory committees, focus groups, and surveys might be used in different phases of the public services cycle for *obtaining more information, sharing decision-making powers, and/or co-delivering better public services* (Hong, 2016; Secilia et al, 2016). Hong (2016) argued that when bureaucrats and the public share experiences and values, clients are more willing to contribute too. This, in turn, makes it *easier for organisations to meet their goals*. Moreover, Secilia (2016) showed how co-production may be used not only as a way to *cut costs* by bringing in users' expertise and networks, but also to *improve service quality*; moreover, the public services provided may be *better targeted and more responsive to users*.

DEVELOPING AN ANALYTICAL FRAMEWORK

Politicians' and administrators' presumed needs for citizen interaction, as identified in the most-cited literature presented above, are summarised, sorted and listed in Table 10.3. The three categories are deduced from the different types of needs suggested in the literature.

TABLE 10.3: Politicians' and administrators' presumed needs for interaction with citizens

Politicians' needs for interaction with citizens	Administrators' needs for interaction with citizens
Arguments concerning the policymaking process	
understand policy problems	help in framing particular problems
innovation/creative problem-solving/risks and gains	adjudicate decisions
"market-test" proposals/ensure implementation	
Arguments concerning the core purpose	
meet public needs most effectively and responsibly	improve service quality/co-create value
provide additional resources	cut costs
achieve political goals	provide additional resources
	increased effectiveness
	meet organisational goals
Arguments concerning the broader public	
public deliberation	increased democratic legitimacy
interest mediation	good governance, incl. upholding fairness and equity
strengthening of citizen responsibility	
groups and individuals building community bonds	

As illustrated by the keywords summarising the needs expressed in the literature, both administrators and politicians are regarded as needing interaction with citizens during the *policymaking process*. For administrators, help in framing particular problems is mentioned explicitly. Whilst for politicians, the term "innovation" encompasses "…engagement in processes of collaborative interaction with public and private actors holding different ideas, competences and resources and by giving politicians a prominent role as sponsors, conveners, facilitators and catalysts of creative problem solving" (Torfing & Ansell, 2017, p. 38).

The need for politicians to "market-test" proposals among affected citizens reflects a long tradition of consultation used by many governments. Interestingly, we find a need for administrators to adjudicate decisions among citizens in cases where ethical or material trade-offs are at stake. That is, instead of letting elected representatives take the stand in value-loaded questions, the

need to define priorities in public policy is regarded as an argument for why administrators should interact with citizens.

As for the arguments concerning *core purpose*, logically, these are somewhat different for politicians and administrators. Achieving organisational or political goals are important for both. But the needs listed for administrators are typically oriented towards service delivery, efficiency and resources, whilst the main argument for citizens' involvement with politicians is to meet public needs more generally, in an effective and responsible way.

Turning to the last group of arguments in favour of citizen participation, regarding *the broader public*, good governance and increased democratic legitimacy are the two administrative needs mentioned in the literature. Conversely, for politicians, accommodating general democratic norms like public deliberation and interest mediation are regarded as valid arguments, as is the need to strengthen citizen responsibility and for groups and individuals to build community bonds.

In sum, the need for citizen involvement described in the literature reviewed is logically determined by the different roles played by administrators and politicians in representative democracies. The diverging needs are typically related to politicians' and administrators' core purpose as public officials; other needs converge. Informational input into the policymaking process, for example, is an assumed need for both groups of actors. Another area of convergence detected in the literature has to do with administrators' need to adjudicate among citizens in decisions involving ethical or material trade-offs. Although needs may converge, it seems likely that administrators' broader need to legitimise their public value proposition among users, stakeholders and citizens might come into conflict with a similar need among politicians. Indeed, this particular need competes directly with what is usually regarded as the core purpose of elected representatives (Stoker, 2006; Rhodes, 2016).

However, to discuss how convergence and divergence might prioritise political or administrative needs it is necessary to consider an additional variable, namely the arena in which interaction takes place. *Arenas organised for citizens to interact with public officials* should also serve as a contingency factor in a framework designed for analysing the degree to which administrative needs are prioritised at the expense of political needs or not. Here, arenas are broadly defined, referring to formally organised arrangements for interaction on policy development, problem solving and/or service delivery with societal actors such as citizens, stakeholders and/or non-governmental organisations (Sancino et al., 2018). The literature review reveals no difference in the kind of arenas for citizen involvement that are utilised by administrators and politicians. Mini-publics and public meetings, for example, are

depicted as arenas for interaction with citizens that are just as relevant for administrators as they are for politicians. On such common arenas, the literature leaves it as an open question whether citizens' views are turned into administrative arguments in the policymaking process, or whether citizens' views are transformed into arguments that politicians can use. Thus, *control over this arena* seems important. Administrators or politicians may control the participatory arena by enabling citizens to become involved primarily in the administrators' or the politicians' arguments, respectively. In addition, administrators may control the arena purely by virtue of the fact that as professionals, they have more knowledge and capacity to pursue specific arguments on the participatory agenda, compared to elected representatives. Independently of whether administrative dominance of the participatory arena results from opportunistic behaviour or not, such dominance will determine whether the need politicians have for interacting with citizens in innovative arenas will be prioritised or not.

In some instances, participatory arenas differ between politicians and administrators. As shown in Table 10.3, while the need to improve service quality is a core purpose for administrators, politicians must meet broader public demands. Citizen participation oriented towards quality improvement will have to be organised in a different way than interaction aimed at meeting broader public demands. Thus, in cases where citizens are invited into primarily administrative processes, their involvement is likely to support the administrators' arguments – but will not necessarily serve the need for citizen involvement among politicians. On the contrary, when politicians' have a pressing need to invite citizens to participate, interaction is more likely to enrich political discourse and arguments.

The two variables identified above – the need for citizen interaction and control over the participatory arena – form the basis of the analytical framework proposed for analysing the potential benefits of politicians' interaction with citizens. The core question is the degree to which politicians' or administrators' needs for interaction with citizens are prioritised in democratic innovations. The analytical framework is presented in Figure 10.1.

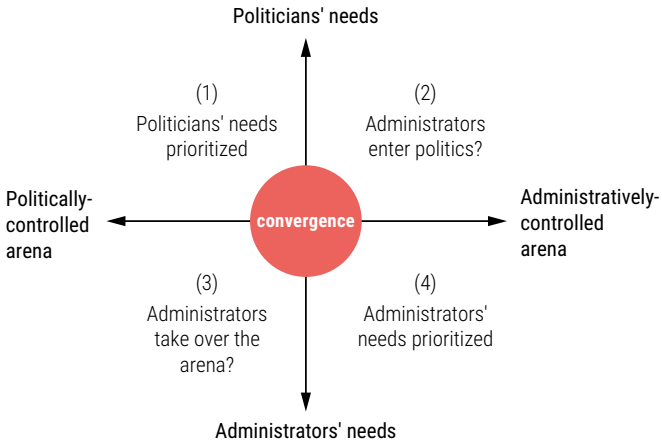

FIGURE 10.1: Analytical framework

As illustrated, we are likely to find variation in the degree to which interaction with citizens meets politicians' or administrators' in the degree to which interaction with citizens meets politicians' and administrators needs for such interaction, as well as the degree to which the interactive arena is controlled by politicians or by administrators. Convergence in terms of needs and arenas is depicted in the middle of the figure. Logically in such situations, the needs of politicians and administrators for interaction with citizens are likely to be equally prioritised. Whether converging needs have any impact on the way politicians' needs for interaction with citizens are prioritised depends on who controls the participatory arena. Following the horizontal continuum to the left, when the participatory arena is controlled by the politicians themselves, the latter's needs are likely to be prioritised. Moving towards the left along the continuum, when the participatory arena is administratively controlled, the expectation is that administrators' needs for interaction with citizens will be prioritised.

Furthermore, in situations where politicians need interaction with citizens, those needs are likely to be prioritised if they themselves control the participatory arena (1). If, on the other hand, the participatory arena is administratively controlled, the question is more open (2). Although administrators do not need to interact with citizens in the actual arena in question, they may enter into political discussions with them. Alternatively, the involved politicians may become inactive, and the needed interaction with citizens may not support the role they play as elected representatives.

Alternatively, in situations where administrators need interaction with citizens, they will be in charge and their needs will be prioritised when they control

the participatory arena themselves (3). If this arena is politically controlled, on the other hand, the question about whose need for citizen participation is prioritised becomes more open (4). The arena might then be taken over by administrators, due to their sovereign administrative capacity. Alternatively, the strong presence of politicians in the arena may disturb the interactive process with citizens, undermining administrators' interactive efforts.

TASK COMMITTEES AS AN INNOVATION FOR STRENGTHENING THE ROLE OF ELECTED REPRESENTATIVES

To illustrate how the suggested framework may be used to analyse the prioritisation of politicians' needs for interaction with citizens, a specific democratic innovation – task committees – introduced in Danish and Norwegian local governments will serve as an empirical example. Task committees convene a group of citizens and politicians who come together to develop a policy on a given topic that is defined by the council. The committees submit their policy proposals to the council, which in turn votes on the suggested proposals. Task committees are dissolved as soon as the proposal is submitted, and new committees tasked with new issues may be appointed by the council.

Thus, the main idea behind task committees is to establish arenas for direct dialogue between politicians and citizens. In Gentofte (2015–present) and Svelvik (2017–2019) municipalities, the publicly stated reason for establishing task committees is that policies developed in cooperation with citizens will be more innovative and respond more efficiently to citizens' demands than policies developed within the municipal organisation alone. With reference to the needs listed in Table 10.3, this postulated demand for citizen interaction touches on politicians' core purpose – meeting public needs and achieving political goals. The main aims, however, are to strengthen the role politicians play in developing policies, and to "market-test" proposals. Here, politicians share the need for citizen interaction with administrators. Therefore, the first analytical point to make according to the above analytical framework is that although the task committees are set up to serve politicians' needs for interaction with citizens, some of their needs are different from, and some converge with, the needs that administrators are assumed to have for interaction with citizens.

Evaluations of the two local governments where task committees have been introduced clearly conclude that this participatory innovation supports politicians in their role as policy developers. Instead of the standard procedure in which administratively developed, ready-made proposals are offered for discussion and decision in formal political meetings, politicians also play an active role in the preparatory phase of the policy cycle due to their many

discussions with citizens in the task committees. That is, politicians' needs for citizen involvement seem to be prioritised. At the same time, and "as usual", the involved administrators prepare all parts of the interactive process. Administrators suggest themes for the task committees to discuss, list the characteristics and competences that the non-political participants should possess, and draft the mandates given to the task committees. The policy proposals submitted by the committees to the council are also administratively assessed, with fiscal consequences calculated, leaving a prominent role for administrators. The data also reveal that the involved politicians and citizens would have liked to be more actively involved in proposing their mandate, and they call for procedures to follow up the work they carried out in the task committees. This all shows that although politicians' need for citizen interaction is at the front on a participatory arena, interaction with citizens takes place within an administratively controlled context.

Addressing the question about control over participatory arenas, emphasis is placed on the interaction between politicians and citizens when and where they actually meet. Evidence from the task committees in both municipalities shows that the involved politicians find it hard to settle on how to play out their role vis-a-vis citizens, and they tend to "hold back" in discussions with citizens. Administrative facilitation during meetings between citizens and politicians is, moreover, an essential part of how the task committees are run, leaving it very much up to the involved administrators to decide what kind of information to present, which visits to make, which innovative processes to organise, etc. Thus, the arena is administratively controlled to a large extent, and the premises for discussions between citizens and politicians are primarily defined by administrative officers.

Summing up, even though the explicit aim of task committees is to establish an arena for direct dialogue between politicians and citizens in order to strengthen the role politicians play in developing new policies, administrators' needs for citizen interaction may also be served by, and even prioritised in, the committees. This analysis of task committees is just an example and is therefore trivial. Yet it provides valuable insight into how well citizen interaction serves the involved politicians. The example also confirms the relevance of the analytical framework suggested: pursuing the degree of difference in needs for interaction with citizens as an important context variable, but in combination with the degree to which politicians or administrators control the participatory arena.

ELECTED REPRESENTATIVES' NEED FOR INTERACTION WITH CITIZENS IN AN ADMINISTRATIVE CONTEXT

The essay highlights the pivotal role played by administrators in initiating, describing and implementing *democratic innovations*, which are defined as government-initiated participation involving citizens and local officials in policymaking concerning problems that affect them. From the literature on governance paradigms, more specifically *Public Value* and *New Public Governance*, we know that it is not only elected representatives who are searching for interaction and dialogue with citizens – administrators are as well. So, while elected representatives and administrators clearly share an interest in interaction with citizens, the question is to what extent, and under what circumstances, they are presumed in the literature to have diverging or converging needs for interaction with citizens. Because politicians are dependent on administrators to prepare all kinds of public policy, including democratic innovations, it is pivotal to determine whether, and under what circumstances, politicians' and administrators' needs for interaction with citizens are prioritised. If administrative needs are prioritised, measures introduced for innovating democracy might not serve politicians.

With this as its point of departure, the essay discusses the extent to which elected representatives and administrators are assumed to have diverging or converging needs for interaction with citizens in the relevant literature on democratic innovations, Public Value and New Public Governance. In this systematic review of the most frequently cited references within these three bodies of literature, the main finding is that the supposed needs for citizen participation among politicians and administrators differ somewhat, but also partly overlap. For example, only administrators are assumed to need citizen involvement in order to improve service quality and cut costs, and only politicians are assumed to need citizen involvement in order to mediate interests and make deliberations public. In analysing how convergence and divergence in needs might result in the prioritisation of politicians' or administrators' needs for citizen interaction, the arena where interaction with citizens takes place should also be considered. The pivotal context variable of whether a given participatory arena for citizen interaction is administratively or politically controlled is therefore also included in the analytical framework. In situations where citizens are invited to participate in primarily administrative processes, their involvement is likely to benefit the administrators – not necessarily supporting politicians' needs for interaction with citizens or serving the latter in their role as elected representatives. It is vice versa in situations where politicians dominate the participatory arena, then their needs for interaction with citizens are likely to be prioritised.

Finally, the literature review shows very clearly that although broad arguments in favour of citizen participation are flourishing, and that administrators' need for contact with citizens is recognised as essential in public governance paradigms, the elected representatives' demands for citizen participation are only sporadically and often indirectly expressed. Given that democratic innovations are introduced to reinforce representative democracy, this is a paradox. It seems essential to clarify why, and in which ways, elected representatives need interaction with citizens. As we have seen, there has been some work on this in recent literature, notably by Sørensen and Torfing (2017) and Torfing and Ansell (2017). The latest conceptualisation of interactive political leadership also placed emphasis on the interaction between elected representatives and citizens (e.g., Lees-Marshment, 2015; Sørensen & Torfing, 2018; Sørensen, 2020). However, the literature on politicians' needs for democratic innovations to strengthen their interaction with citizens is still sparse and calls for further research.

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CHAPTER 11

Communication advisers in public bureaucracies: Inhabitants of the zone between politics and administration

Kristoffer Kolltveit

ABSTRACT

According to the Weberian ideal, civil servants should be employed based on merit and competence. Unlike politicians, civil servants should carry out their duties anonymously and without passion. Increasingly, over the last few decades, in response to the constant need to respond to the media and be visible in the press, non-partisan communications professionals have been employed in ministries across Western democracies. Although hired as civil servants, these actors often work to defend the minister and secure favourable press for both the minister and the ministry, raising concerns about politicisation of the civil service. The chapter reviews the work of communication professionals in public bureaucracies. Drawing on electronic surveys of communication advisers, ministerial advisers and civil servants, the chapter argues that communication advisers in Norwegian ministries are not quite civil servants, not quite politicians. Rather, they are a different type of civil servant functioning in the intersection, or zone, between political leadership and line departments.

Keywords: advice, competence, communication advisers, civil servants, ministries, politics-administration dichotomy, politicisation, public bureaucracies, Weber, Wilson.

INTRODUCTION

According to Max Weber, civil servants should be employed based on merit and competence. Unlike the visible and dedicated politicians, civil servants should carry out their duties anonymously and without passion (Weber, 1971; Overeem, 2010, p. 75–77). Their loyalties should be expressed through their execution of policy decisions. While Weberian and Wilsonian ideals prescribe a clear separation of politics and administration, it is well established that reality is often blurred. Politics and administration are not separate spheres, but rather closely intertwined, although to varying degrees in different countries (Lee & Raadschelders, 2011), making the terms *hybrids* (Aberbach et al., 1981) or *village life* (Peters, 1987) more accurately descriptive. Several studies have identified a politicisation of public bureaucracies, whereby civil servants are politically responsive and act in ways that threaten their impartiality (Aucoin, 2012; Maley, 2017; Mulgan, 2007).

Over the last few decades, *communications advisers* have increasingly been employed in ministries across Western democracies as a response to the constant need to respond to the media and be visible in the press. Although hired as civil servants, many are former journalists and work to defend the minister

and secure favourable press for both the minister and the ministry. This chapter reviews communication advisers in light of the politics-administration dichotomy and the concept of politicisation. More specifically, we ask: Are they a special breed of civil servants? Are they more (functionally) politicised than ordinary civil servants? We answer these questions by looking closely at what communication advisers do and what kinds of advice they give. We draw on surveys of communication advisers, ministerial advisers and civil servants in Norwegian ministries. Empirical comparisons with ministerial advisers and civil servants suggest that non-partisan communication advisers are not quite civil servants, not quite politicians. They are a different type of civil servant functioning in the intersection, or zone, between political leadership and line departments.

In the remainder of this chapter, we first review the literature about the politics-administration dichotomy and the manifold meanings of the politicisation concept, and then give an overview of the existing literature on communication advisers. After the Norwegian context is briefly introduced, the chapter analyses Norwegian communication professionals, drawing on survey data. Finally, the chapter discusses the emergence of communication professionals as a new type of civil servant in relation to the Weberian dichotomy of politics and administration.

THE POLITICS-ADMINISTRATION DICHOTOMY AND PROCESSES OF POLITICISATION

The politics-administration dichotomy is one of the older chestnuts of public administration scholarship. The thoughts of a separation, or distinction, between politics and administration has been discussed by several classical theorists. In his 1887 classic, "The study of Administration", Woodrow Wilson wrote about the field of administration as "removed from the hurry and strife of politics (…) Politics is (…) the special province of the statesman, administration of the technical official." According to Wilson, "administration lies outside the proper sphere of politics." (…). Administration should be "[a] body of thoroughly trained officials serving during good behaviour" and it was the "[s]teady, hearty allegiance to the policy of the government they serve" that constituted this good behaviour.

In one of his famous lectures, Max Weber also made the distinction between politics and administration (1919/2004). According to Weber, administration should stay out of politics (Overeem, 2005, p. 316). Administrators should abstain from fighting: "To take a stand, to be passionate – ira et stadium – is the politician's element" (Weber 1919/2004, p. 54). According to Weber, "The

honor of the civil servant is vested in his ability to execute conscientiously the order of the superior authorities (…) even if the order appears wrong to him (…). Without this moral discipline and self-denial, in the highest sense, the whole apparatus would fall to pieces" (Weber 1919/2004, p. 54).

According to Svara, the "distinction stressed by Wilson and Goodnow hardened into a dichotomy around the 1920s (1999, p. 678). Over time, the politics-administration dichotomy has been the subject of extensive discussion. In a (more) recent debate, Overeem linked the dichotomy to the concept of non-interference and suggested separating politics (as the power to make decisions) and policy (the content of these decisions) (2005). Although administrators will be involved in policy, the dichotomy implies that administrators should not be involved in politics (selection of elected officials) (Overeem, 2005). In response, Svara argued that administrators *do* sometimes get involved in elections; for instance, when they help defend their minister. Furthermore, administrators have an impact that goes beyond policies through decisions about resource use (who gets jobs, contracts, promotions). Svara also distinguished between non-interference and political neutrality; while the former involves "avoidance of action", the latter is assertive and sometimes includes "speaking truth to power" (2006, p. 125).

Scholars like Rutgers and Svara have been advocates for symbolising the relationship between elected officials and public administrators as a continuum rather than a dichotomy (Rutgers, 1997; Svara, 1985; 1999). There are overlapping roles and reciprocal influences between elected and administrative officials. In the words of Mouritzen and Svara, "One does not find separate spheres of politics and administration but rather a fusion of political and administrative influences" (2002, p. 257). Similarly, Alford, Hartley, Yates and Hughes (2017, p. 755) talked about a "shared space between politicians and public managers, rather than one in which politicians inhabit one realm and public managers a separate one". In their 1981 classic, Aberbach, Putnam and Rockman visualised the relationship between politics and administration as four images, from a clear separation of spheres to the pure hybrid and the disappearance of the Weberian distinction. In a fourth image, Aberbach, Putnam and Rockman (1981) mentioned Janus-faced ministers and super bureaucrats. Rhodes (2011) suggests the term "political-administrators" as a generic descriptor for ministers and top departmental officials alike, reflecting their shared set of beliefs and traditions.

An understanding of the dynamics of political-administrative relationships can also be found in Jacobsen (2003; 2006). He suggested viewing the relationship between the political and the administrative spheres as a variable, thereby opening up the possibility "that it may vary among contexts, position in the formal structure, demographics, and over time" (Jacobsen, 2006, p. 303). Draw-

ing on surveys of politicians and administrators in 30 Norwegian municipalities, Jacobsen found that the overlap between the political and administrative spheres is mainly a phenomenon "delimited to the political and administrative apex" (2006, p. 317). In the Norwegian local government context, harmony and cooperation mainly characterise the interaction between politics and administration (Jacobsen, 2003).

The process of politicisation contributes to a breaking down of the distinction between politics and administration. Overarchingly, politicisation can be seen as a desire for control (Peters & Pierre, 2004), which can be achieved through political influence over recruitment, more specifically "the substitution of political criteria for merit-based criteria in the selection, retention, promotion, rewards, and discipline of members of the public service" (Peters & Pierre, 2004, p. 2). Such an understanding of the concept of politicisation has been called direct or formal politicisation (Rouban, 2004; Peters, 2013). Eichbaum and Shaw (2008) called it administrative politicisation to capture the relationship with the civil service: Ministerial advisers can prevent professional advice from the civil service from reaching the minister's ear (procedural administrative politicisation) or intervene and colour the advice given (substantial administrative politicisation) (Eichbaum & Shaw, 2008). In the literature, the civil servants' party-political activity has been called functional politicisation. In their typology of different politicisation mechanisms, Hustedt and Salomonsen (2017) traced such an understanding back to Mayntz and Derlien (1989) and Aberbach, Putnam and Rockman (1981). Functional politicisation means that civil servants anticipate and integrate politically relevant aspects into their recommendations and contribute through political-tactical advice. Such an understanding of the concept of politicisation implies a changed balance between party political neutrality and political loyalty (Dahl Jacobsen, 1960). Although it is expected from the role that bureaucrats should be responsive to their political leaders, functional politicisation means that a limit has been exceeded. As Mulgan emphasised, [Functional politicisation] "marks the crossing of a line between proper responsiveness to the elected government and undue involvement in the government's electoral fortunes. The term is inevitably slippery in meaning because the line itself is often blurred and hard to draw (…)" (Mulgan, 2007, p. 570–571).

Seen through the politics-administration lens, administrative politicisation is a question of affecting the interaction or workflow between the two spheres. Functional politicisation is a question of increasing the overlap between the two spheres and moving towards a hybrid.

In this chapter, the empirical focus is on "non-partisan communication advisers" working at the communication desk in the ministries. We thereby

delineate "ministerial advisers" (Eichbaum & Shaw, 2007a; LSE GV314 Group, 2012; Wilson, 2016), as the persons "appointed to serve an individual minister, recruited on political criteria, in a position that is temporary" (Hustedt et al., 2017). By definition, therefore, non-partisan communication advisers are not ministerial advisers. In reality, however, they could possibly fulfil the same function and provide the same type of advice as ministerial advisers.

COMMUNICATION ADVISERS IN PUBLIC BUREAUCRACIES

In response to the demand for access from media outlets and ministers' publicity needs (Falasca & Nord, 2013), contemporary governments and public agencies have professionalised communication and expanded their communication units with communication advisers across Western democracies (Heffernan, 2006; Sanders & Canel, 2013). These non-partisan communication advisers have different names across different jurisdictions. In the UK, for instance, they are called "communications specialists" or "information specialists" (Garland et al., 2018). Communication advisers are civil servants with special skills and are often recruited from the journalism domain, although public relations, marketing and other social science backgrounds are also common (Jacobs & Wonneberger, 2017; Sanders & Canel, 2013).

Some studies have provided insight into the daily work of communication advisers in public bureaucracies. In their study of press officers in the European Union Council, Laursen and Valentini (2013) found the communication activities to be apolitical, impartial and of a reactive nature. The press officers did not have a particular agenda, did not take sides and never favoured particular angles (Laursen & Valentini, 2013, p. 5). Their background notes and press releases were written in a bureaucratic and fairly neutral language and were very predictable in terms of both content and form (Laursen & Valentini, 2013, p. 5). The press officers in the EP were labelled "impartial information providers", giving politically unbiased accounts of what went on in the EP (Laursen & Valentini, 2014, p. 9). Ēdes (2000) found that in Central and Eastern Europe, they monitor media coverage, brief and advise political officials, manage media relations, inform the public directly, share information across the administration, formulate communication strategies and campaigns and research and assess public opinion. Liu, Horsley and Yang (2012) found that in the US, daily communication activities could be grouped among media interaction, public information, communication planning and research and multimedia communication.

In the UK, government press officers maintain a challenging balancing act between impartial information and party-political statements. "[G]overnment

press officers must negotiate a difficult path between the need to inform citizens about the government's programme and demands by ministers to deploy privileged information to secure and maintain personal and party advantage in the struggle for power" (Garland, 2017, p. 171). According to Garland, it has become "harder for government press officers to resist political influence over government communication" (2017, p. 183). Garland's study also showed how UK press officers can be put in a squeeze between political and administrative actors in the ministry. "Marginalised by the wider civil service, government press officers struggled to accommodate a clash of interests between bureaucratic and party-political values" (Garland, 2017, p. 183–184).

Other studies show how communication advisers in ministries become part of internal turf battles. In Northern Ireland, for instance, "the interdepartmental competition between ministers has infiltrated information dissemination, leaving the Government Information Officers (GIOs) to compete with other ministries to try and get […] stuff in the papers' (Rice & Sommerville, 2016, p. 102). A large amount of time is devoted to protecting their minister and ministry "at all costs", often being in open warfare with other ministries (Rice & Sommerville, 2016, p. 102).

According to Garland (2017), the increased political responsiveness of civil servants can be seen as adaptations to changing media environments. Garland argued that in order to manage reputational risk, politicians seek control over the communications function of public bureaucracies. Officials anticipate growing political interference by responding more directly to ministerial media priorities (p. 175). "[M]inisters become increasingly concerned to exert greater control over media representation while government press officers increasingly identify with and serve the ministers particular needs" (p. 184).

Empirically, this chapter focuses on what Norwegian communication advisers do and the kind of advice they give. The Norwegian case is of interest because of the strong meritocratic principle and the presence of written guidelines banning civil servants from party-political work.

RESEARCH CONTEXT, METHODS AND DATA

Norway is a parliamentary democracy with a merit-based central bureaucracy divided among 16 ministries. Although the Norwegian government apparatus is characterised by robustness and a high degree of stability, some important changes have taken place over the past few decades, most notably an increased number of both political appointees and nonpartisan communication professionals in ministries (Christensen et al., 2018). Cabinet ministers are now assisted by one political adviser and one or two state secretaries (junior

ministers). Official statements from ministries are channelled through the cabinet minister and his or her political appointees. However, working with the media and communicating is not the only designated task for politically appointed state secretaries and political advisers. There are no government-appointed spokespersons or central press offices. Instead, ministers, in cooperation with their political appointees and communication unit, handle communications concerning their areas of responsibility. In Norwegian ministries, communication units have grown from 30 communication professionals in the early 1990s to about 130 three decades later. Over the same period, ordinary civil servants in the ministries have grown from about 3,500 to 4,500. Currently, there are on average eight communication professionals in each ministry. The communication desk is placed beneath the ministry's top administrative and political level but somewhat to the side of the hierarchical pyramid. However, communication professionals are civil servants, are not politically appointed, and, like other nonpartisan civil servants, are expected to act professionally and be politically neutral (Christensen, 2005). In Norway, there are written ethical guidelines banning all civil servants from participating in political campaigning.

To review the work of Norwegian communication advisers, we draw on three different surveys conducted in 2015: a survey of state secretaries and political advisers from the Bondevik 2 and Stoltenberg 2 cabinet (response rate 73 percent, 207 individual responses), a survey sent to civil servants in five ministries (response rate 40 percent, 661 individual responses) and a survey sent to communication advisers across all ministries (response rate 40 percent, 49 individual responses). The surveys were conducted as part of two large research projects (see also Askim, Karlsen & Kolltveit 2017; Figenschou, Karlsen, Kolltveit & Schillemans 2019). The items utilised in this chapter particularly concerned the type of advice given.

ANALYSING COMMUNICATION ADVISERS IN NORWEGIAN MINISTRIES

We look first into the work of communication advisers. Asked to rate the most important role within the communication department, three main roles seem most important for Norwegian communication advisers: to provide communication advice, to be the main contact point for the media and to be the web editor. Fewer are designated speech writers or handle internal communications.

TABLE 11.1: Work of communication advisers. Question: What is your most important role within the communication department?

Role	Share
Communication advising	32.6%
Media contact	23.3%
Web editor	20.9%
Leadership tasks	7.0%
Speech writer	7.0%
Other	7.0%
Internal communication	2.3%
n	43

To be able to do their jobs and fulfil their roles, communication advisers draw on different skills and competences. The ability to get things done is deemed most important by communication advisers (and by civil servants), as shown in Table 11.2. Understanding how the media works is clearly more important for communication advisers than it is for civil servants from expert departments. This is not surprising, given that the communication advisers are placed and work in departments with designated communication tasks. Furthermore, it is quite important for communication advisers to be able to make tactical-political judgements. Here, the differences from ordinary civil servants are actually quite small.

TABLE 11.2: Competence, communication advisers and civil servants compared. Mean and standard deviation. Question: How important is the following competence in your position? Five-point scale (not important at all [1], not so important, neither/nor, quite important, and very important [5]).

Competence	Communication Advisers[1]	Civil Servants[2]
Implementation ability, the power of action	4.94 (.25)	4.55 (.67)
Ability to understand how the media works	4.81 (.53)	3.40 (.99)
Ability to collaborate across disciplines, levels of government, organisations and sectors	4.81 (.40)	4.55 (.68)
Tactical-political judgment	4.04 (.88)	3.87 (.97)
n	47–48	523–536

Comparing the type of advice provided by communication advisers and ordinary civil servants further shows a clear division of labour. Communication advisers quite often provide councils on how, when and where policies should be presented in the media. Civil servants only do this occasionally. As many as 40 percent of the civil servant respondents in fact opted for the "do not know" category, suggesting this type of advice seldom comes from the expert departments. The political leadership seldom gets advice from communications advisers about *which* policies should or should not be presented in the media, suggesting a limit to the political involvement of these actors.

TABLE 11.3: Comparing media advice from communication advisers and civil servants. Mean and standard deviation. Question: 1) How often do you give the following type of advice to political leadership about ... 2) How often do you supplement professional assessments with advice on ... Five-point scale. (Never [1], occasionally, quite often, very often, always [5]).

Type of advice	Communication Advisers[1]	Civil Servants[2]
How policies should be presented in the media	3.02 (1.01)	2.01 (.93)
When policies should be presented in the media	2.96 (1.04)	1.78 (.86)
Where policies should be presented in the media	3.06 (1.01)	1.40 (.67)
Which policies *should* be presented in the media	2.27 (1.09)	NA
Which policies *should not* be presented in the media	2.16 (1.06)	NA
n	44–47	467–478

Turning to the political actors in Norwegian ministries, communication advisers clearly offer something other than what state secretaries and political advisers do. These two political actors, to a larger extent, provide political-tactical advice on single issues and long-term political advice to their minister. However, both communication advisers and political advisers are important to give ministers advice in handling urgent media issues.

TABLE 11.4: Comparing the type of advice from MAs and communication advisers. Mean and standard deviation. Questions: 1 How important is it to give the following type of advice to your minister? 2 How important is it to give the following type of advice to political leadership? Five-point scale (Not important at all [1], less important, neither nor, quite important, very important [5]).

Type of advice	State Secretaries[1]	Political Advisers[1]	Communication Advisers[2]
Political-tactical advice on single issues	4.50 (.71)	4.32 (.81)	3.16 (1.41)
Long-term political advice	4.26 (.85)	4.06 (1.066)	2.79 (1.37)
Advice in handling urgent media issues	4.07 (1.00)	4.32 (.84)	4.35 (.97)
N	136–138	66	43–47

Overall, the different types of advice suggest communication professionals offer something different from ordinary civil servants and state secretaries and political advisers. They provide important advice on how, when and where policies should be presented, and are the in-house experts when difficult issues appear in the media.

Furthermore, the surveys reveal that communication advisers are more closely integrated with the political actors in the ministry than are civil servants. Asked to rate the claim that they were on "first-name terms with people in the political leadership in the ministry", 89 percent (n= 46) stated that it was a "quite good" or "perfect match", according to their own work experience. Forty-six percent of the civil servant respondents said the same (n = 534). Besides demonstrating a close integration between the political leadership and communication advisers, it also testifies to the informal character of work within Norwegian ministries in general. Working closely over time, somewhat outside of the administrative hierarchy, brings the communication advisers and the political leadership closer together. Despite their closeness to politicians, the communication advisers still see themselves as civil servants. Asked to rate the claim, "As a communications adviser, I do not feel part of the civil service", 87 percent (n = 47) reported it was a "quite poor" or "very poor match".

Turning to the degree of functional politicisation, the surveys did not give clear answers. Asked to rate the claim, "In our department, we often get tasks of a party-political nature", 85 percent (n = 47) reported it was a "quite poor" or "very poor match". Only 62 percent of civil servants (n = 492) said the same. This could suggest that civil servants in fact are more politicised than their colleagues in the communication unit. Using responses from ministerial

advisers as indications, however, there is little reason to believe that. According to them, the head of the communication unit and the secretary general contribute equally via political-tactical advice (mean = 2.79 and 2.62, respectively), and both expert departments and the communication unit equally protested, "when asked to give advice on issues of a party-political nature" (mean = 3.77 and 3.59, respectively).

CONCLUDING DISCUSSION

In this chapter, we have analysed communication advisers in light of the politics-administration dichotomy and the concept of politicisation.

We have drawn on several surveys of communication advisers, ordinary civil servants, state secretaries and political advisers in Norwegian ministries. Norwegian communication advisers have three main roles: They provide communication advice, are contact points for the media and are web editors. By comparing them to other civil servants and looking at their competence and type of advice given, we have tried to determine if they should be seen as a special breed of civil servants. We find that the ability to understand how media works is clearly more important for communication advisers than it is for ordinary civil servants working in line departments. Furthermore, there is a clear difference in the type of media advice, in *how*, *when* and *where* policies should be presented. The latter type of advice is not something that is the responsibility of ordinary civil servants. This division of labour found in Norwegian ministries seems natural, given that communication advisers are hired in communication units to work with the press, while ordinary civil servants work in expert departments.

Furthermore, by comparing communication advisers to political actors in the ministry, our results show they are clearly not politicians. Communication advisers provide different advice than do state secretaries and political advisers – less political-tactical advice on single issues, and (clearly) less long-term political advice, which is the main responsibility of political appointees. Instead, communication advisers give advice on how to handle urgent media issues (mainly together with political advisers).

In this chapter, we have also tried to determine if communication advisers are more (functionally) politicised than ordinary civil servants are. Unfortunately, the survey items were not very well suited to answer this question. More communication advisers than civil servants disagreed with the claim that their departments have tasks of a party-political nature. However, this could also mean that communication advisers and civil servants have somewhat different conceptions of what constitutes party-political tasks. Using ministerial advisers

as expert witnesses to the functioning of the executive government suggests that heads of communication units and secretaries generally contribute equally through political-tactical advice, and both expert departments and the communication unit equally protested "when asked to give advice on issues of a party-political nature".

In modern-day bureaucracies, it is not only a question of politicians and administrators; to be more precise, there are several types of actors. In Westminster systems, ministerial advisers have been called a "third element" (Eichbaum & Shaw, 2007b; Shaw & Eichbaum, 2015). Based on this study, we conclude that non-partisan communication advisers function as a fourth element in Norwegian ministries. This group is distinctly different from ordinary civil servants and ministerial advisers, with super bureaucrats (Aberbach, Putnam & Rockman, 1981) or political-administrators (Rhodes, 2011) perhaps being more descriptive terms.

Over time, new roles in political-administrative systems will arise or thrust themselves forward, either by defining existing positions differently or creating completely new positions (Dahl Jacobsen, 1960). According to the classic works of Norwegian political scientist Knut Dahl Jacobsen, this was for instance, the case when the state secretary position was established in Norway. The constant need to respond to the media and be visible in the press has created a need for a special type of civil servant across Western bureaucracies – communication advisers. This relatively new type of civil servant is not quite civil servant, not quite politician.

Although communication advisers are increasingly found in public bureaucracies in several countries, few true comparative efforts have been made. A notable exception is the edited volume of Sanders and Canel (2013), which focused on the structures and processes of government communication. Future research should strive to investigate the competence, type of advice and daily work of communication advisers across different jurisdictions, building on a common framework to fully understand the impact these new actors have in modern-day bureaucracies.

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CHAPTER 12

The difference that makes a difference?

Exploring the purple zone of political and administrative leadership in Danish and Norwegian local government

Christian Lo and Asbjørn Røiseland

ABSTRACT

This chapter is based on a study of political and administrative leadership in Danish and Norwegian local governments. While the two neighbouring countries share a similar governance tradition, making them suitable for a most similar comparative design, there is one important difference regarding the interaction between political and administrative leadership: while Danish mayors are formal leaders of the municipal administrations, Norwegian mayors are only leaders of the council. In this chapter, we explore to what extent such formal differences have an impact upon the perceptions political and administrative leaders have about the everyday relation between politics and administration. Empirically, the analysis draws on data from in-depth qualitative interviews with a set of Danish and Norwegian top political and administrative leaders in municipalities, all of which have recently implemented institutional changes to their leadership that actualise the relation between political and administrative leadership.

Keywords: local government, politics and administration, leadership, mayor, Nordic countries.

INTRODUCTION

Across the countries of Europe, the institutional environments surrounding political and administrative leadership in local government vary and are developing in both divergent and convergent ways (Jacobsen 2012; Heinelt et al., 2018; Vetter and Kersting, 2003). This chapter reports results from a recent study of political and administrative leadership in Danish and Norwegian municipalities. Although being neighbouring countries with an almost similar governance tradition, there is *one* important difference regarding the interaction between politics and administration: While Danish mayors are formal leaders of the municipal administration, Norwegian mayors are only leaders of the council. In the Norwegian system, a hired Chief Municipal Executive (CME) holds the formal leadership over the administration and the mayor can only instruct the municipal administration through formal decisions taken in the council. The two countries are, therefore, ideally suited for a comparative study exploring the impact of this particular institutional variation.

Intra-national Danish and Norwegian studies point to a plurality in how political and administrative leaders perceive and practice their roles within the two countries (Berg & Kjær, 2007; Jacobsen, 1996; Klausen, 2010; Mikalsen & Bjørnå, 2015). Yet, while the difference in the formal role of the mayor has been

highlighted in comparative studies of legal frameworks (Sletnes 2015), scholars have to a lesser extent explored the practical implications of the formal difference in terms of power, influence, and daily leadership following a comparative design. Our main objective here is to address this apparent gap by providing new knowledge on how this difference in the formal roles of the mayor impacts on the interaction between political and administrative leadership. However, rather than constructing a randomised causal test of the practical implications of such institutional differences, we take a more open approach. Well aware of the many contextual, institutional and individual factors that may influence daily life practices, our main research question can be stated as: *How is the interaction between political and administrative leadership perceived by local political and administrative leaders in Denmark and Norway, and to what extent do these perceptions express institutional differences in formal roles?*

In our study, we conducted qualitative interviews with the mayors and highest-appointed administrative leaders in four Norwegian and four Danish municipalities. Accordingly, we addressed the above research question from the viewpoint of the leaders forming the critical "apex" of political and administrative leadership (Mouritzen and Svara, 2002). By analysing similarities and differences in how these leaders understand their roles and interaction, we provide interesting insight to both cross-national and intranational variations in how the relationship between politics and administration is understood by these central actors in the two countries.

The chapter proceeds as follows. In the next section, we introduce both classical and novel theoretical perspectives on the interaction between politics and administration that we have found relevant to our analysis. After a note on methods and case selection, the analysis section will discuss the eight cases in cross-national pairs organised by recent institutional changes implemented in these municipalities that have actuated discussions on the relation between politics and administration. In the concluding section, we sum up the empirical analysis and point out some questions for further research.

ON POLITICAL AND ADMINISTRATIVE LEADERSHIP

The interaction between political and administrative leadership is perhaps one of the most classical topics of political science (see Pierre et al., 2013; Aberbach, Putnam, and Rockman, 1981). While Woodrow Wilson (1887) and Max Weber's (1919) convergent principles of a politics-administration dichotomy are frequently quoted interchangeably, it is worth noting the classical theorists' differing emphases on the two main functions of this division. While Wilson argued that *politics should stay out of administrative tasks*, thus allowing

the development of an autonomous bureaucracy relieved of the spoils system corrupting his contemporary American context, Weber stressed the need for political control that could strain the advancing European bureaucracies' inexorable quest for autonomous power by keeping *administration out of politics* (Sager and Rosser, 2009).

These differences reflect an inherent tension between the multiple roles that the modern bureaucracy is expected to fulfil. While political leaders' role in a society is to represent the citizens and to solve any emerging challenge, administration – or bureaucracy – has a more mixed set of partly conflicting roles (Jacobsen 1996; Aberbach, Putnam et al., 1981; Pierre et al., 2015). First, the public bureaucracy is expected to be *politically loyal* to the governing political coalition. At the same time, we also expect bureaucrats to be *politically neutral*, not to take any political decisions, or to reveal any political sympathies during their service in bureaucracy. Finally, we expect bureaucrats to be *professionally independent*, taking their decisions based on professional knowhow and technology, and to raise the alarm whenever political leaders make decisions or suggestions that collide with professional standards. The three different roles will often conflict. For example, it is hard to believe that a bureaucrat can be both professional, independent and loyal in any situation; neither is it possible to combine loyalty and neutrality in one single situation. However, even if these bureaucratic roles are in conflict, it is argued that the conflict cannot and should not be resolved. Rather, we need to see these roles as expressions of the different and conflicting values related to the public sector with which the everyday operations of the public sector will have to deal (Jørgensen and Bozeman, 2007).

Turning to the political side, newer contributions on political leadership have argued that power based on coercion needs to be supplemented by more discursive forms of power (Sørensen and Torfing, 2016). Significantly, Robert C. Tucker (1995) argued that political leadership consists in the construction of a political community with a collective political identity and destiny, and a willingness to be led. This type of leadership therefore involves three main functions: The *formulation of a problem diagnosis* that calls for political action, the *proposition of a political strategy* for solving this problem, and the *mobilisation of support* for the political leader among the members of the political community. In short, this means that we cannot delimit political leadership to decision making alone but should also include problem definition and implementation.

Following classic institutional theory, the literature on administrative and political leadership commonly, yet often implicitly, argues that these roles and how they interact can be designed (Bentzen, Lo & Winsvold, 2020; Peters, 1999). Based on the degree of separation between politics and administration and the

ranking of politics versus administration, three different ideal models for organising the relationship between political leaders and administrative actors often inform the discussion on the organisation of these tensions in local government (Mouritzen and Svara, 2002; Aberbach, Putnam, and Rockman, 1981). The first is *the separate roles model*, implying that politics and administration are two different and separate spheres, with administration formally subordinate to politics (Mouritzen and Svara, 2002, p. 31). This model emphasises the *neutrality* of administration in the context of political parties and political preferences and interpreted through the lenses of Tucker's (1995) aforementioned functions, the *formulation of problem diagnosis* as well as the *proposal of political strategy* will take place within the administrative sphere, while elected leaders will have their main role related to the mobilisation of political support. In other words, political leadership will be restricted to formal decision-making.

In a similar vein, *the autonomous administrator model* understands administration as an activity separated from politics, but administration is subordinate to politics to a lesser extent (Mouritzen and Svara, 2002, p. 35). Political leaders make the overall decisions based on problems defined by the bureaucrats, and the alternative solutions among which political leaders will choose have all been developed by the administration. This model emphasises the professional *expertise* held by administrative actors. Hence, both the *formulation of problems* and the *searching for political strategies* will be tasks for administrative leaders based on their professional expertise. Since the emphasis put on professional expertise will often involve devolution from political bodies to administrative agencies, administrative leaders will also be involved in the process of *mobilising political support*, and in *making decisions*.

Finally, in *the responsive administrator model* the bureaucrats have a clearer subordinate role compared to political leaders, and the separation between the two functions is less clear (Mouritzen and Svara, 2002, p. 36). This model implies that political norms and values will pervade administration, partly as a result of elected politicians having a formal role as leaders of administrative staff and partly as a result of employed bureaucrats acting as a political secretariat for political leaders. In this model, the administration's political *loyalty* has been maximised. Contrary to the models mentioned previously, the latter model represents a less clear division between elected politicians and administrative leaders, and political and administrative leaders will act jointly to fill the three main functions of political leadership.

The three ideal models demonstrate how tensions built into the bureaucracy also have influence upon their counterparts – the elected political leaders. To some extent the division of power among elected political leaders and their administration is a zero-sum game. Ideas about bureaucracy that maximise

the independent-expert dimension of administration, as e.g., managerialism does (Pierre, 2011), will likely not allow political leadership to the same extent that ideas maximising bureaucrats as loyal servants do.

While such ideal models may provide a useful tool for institutional design of organisational structures and roles, reality will of course be characterised by a more provisional mix of traditions and beliefs that inform the enactment of both political and administrative leadership (Rhodes, 2017). While not denying that a clear-cut delineation may be an adequate goal and description in some cases, Alford et al. (2017) suggested that the notion of a "line" demarking the domains of politics and administration should be supplemented by the notion of a "purple zone". The "purple zone" indicates a variable approach where the "red" activities of politics and "blue" activities of administration overlap. Accordingly, rather than searching for a one-size-fits-all delineation, the perspective proposed by Alford et al. advocates an approach focused on the interaction between political and administrative leadership which will vary according to circumstances.

The following analysis will explore how the interaction between political and administrative leadership is perceived by local political and administrative leaders in Denmark and Norway. In the theoretical terms outlined above, the position of Danish mayors as formal leaders over the administration can be argued to represent an example of the *responsive administration* model, while the Norwegian system of having a hired Chief Municipal Executive is closer to the *autonomous administration* model (Aberbach, Putnam et al., 1981; Mouritzen and Svara 2002, p. 43).

While the models mentioned above should be understood as ideal types (Ringer, 1997), empirical investigations would, however, be expected to find a significant amount of variation with elements of all three models characterising the two countries. In addition, while departing from these models, one could expect local top-leaders to express some relatively clear ideas about the line between politics and administration. However, following the conception of a purple zone, we would expect local top-leaders to express significant uncertainty about the line between politics and administration, while perhaps having clearer ideas about where the purple zone starts and ends.

CASES, METHODS AND DATA

In the following empirical analysis, we compare Norway and Denmark. The two countries are usually treated as "most similar system" and until 1814 were parts of one kingdom. Through their historical interconnection, the two countries share many cultural characteristics including a very similar written language

(Knutsen, 2017). Both countries also belong to a common governance tradition in which the municipalities are core welfare providers under a universal and national welfare state regime (Heinelt et al., 2018; Røiseland and Vabo, 2020). Local government functions are almost similar, while as mentioned, there is a significant difference related to the formal role of the mayor and the mayor's formal relation to the municipal administration. Thus, our overall design when choosing national contexts is a good example of "most similar systems design" which presupposes inter-system similarity between two or more cases and variation in a key intra-system variable (Przeworski, 1987).

As briefly explained in the introduction, the Norwegian mayors chair the council and can only instruct the municipal administration through formal decisions taken in the council, while a hired Chief Municipal Executive (CME) is the formal leader of the administration. The roles of the mayor and the CME are clearly defined in the Norwegian Local Government Act. In the case of Denmark, the mayor not only chairs the council, he/she is also the formal head of the administration. While the Norwegian legislation frames an hourglass-like relationship between politics and administration, where the two spheres meet in the roles of the mayor and the CME, the Danish framework allows a "thicker" relationship between the two spheres (see Mikalsen and Bjørnå, 2015; Berg and Kjær, 2007).

The data for the following analysis are qualitative interviews with the mayor and the CME in four Danish and four Norwegian municipalities. When choosing municipalities for this analysis, we have not followed the conventional strategy, which aims to construct a representative sample. Rather, we have chosen the cases among a set of municipalities that have recently initiated and introduced institutional changes that in some way have implications for the relation between politics and administration. These changes, which are made within the legal frames defined by national legislation, have either challenged the local relationship between politics and administration or at least, led to some discussions and reflections among the local actors involved. We consider this strategy to correspond to what Seawright and Gerring (2008) conceptualised as the "influential" cross-case method of case selection, where the selected cases contain some influential configurations of possible relevant variables, while not necessarily being representative as such.

The cases were identified based on a rigorous mapping of Norwegian and Danish local governments that had taken extraordinary actions to strengthen political leadership and democracy. Among 43 possible cases, four cases in each country were selected in order to display variation in design changes, where one in each country represented a similar type of effort. We will therefore discuss

the cases in pairs and will explain the type of effort during the analysis. The eight cases and their institutional change are listed in Table 12.1 below.

TABLE 12.1: Types of efforts and institutional changes in eight cases

Type of effort	Institutional change	Municipality	Population	Nationality
Emphasising the separation between political and administrative leadership	Mayor and Committee leaders make proposals	Fredrikstad	81,000	NO
	Committee for finances consists of leaders of standing committees	Esbjerg	115,700	DK
Develop holistic policy development	Facilitating councillors' active participation in budget processes	Hjartdal	1,600	NO
	Common pre-meeting for members of standing committees	Hedensted	46,500	DK
Co-creation strategies	Team of resource persons set up to deal with specific local issues	Steinkjer	30,000	NO
	Co-creation projects	Guldborgsund	61,200	DK
Politicians as hands-on policy developers	Ad hoc committees with councillors and citizens	Svelvik	6,400	NO
	Ad hoc committees with councillors and citizens	Gentofte	74,500	DK

Besides documents and information online about the effort made, data for this paper consist of 16 extensive interviews with the mayor and the CME in the eight municipalities conducted in 2017. The hour-long interviews followed a semi-structured guide focussing on the institutional change made and more general thoughts, attitudes and perspectives on political leadership and the political-administrative relationship.

ANALYSIS

In this section, we will present the eight cases in four pairs. Each pair is presented by first explaining the institutional change made, followed by a section dealing with how the actors (Mayor and CME) conceptualise the political-administrative relationship. For each pair, we also try to point out how and to what extent the institutional change relates to actors' view on politics versus administration. This latter discussion takes its point of departure in (neo) institutional theory, emphasising the interrelationship between actors and formal organisation.

PAIR ONE: EMPHASISING THE SEPARATION – FREDRIKSTAD AND ESBJERG

Both Norwegian Fredrikstad and Danish Esbjerg have introduced measures aimed at strengthening the role of top political leaders. In Fredrikstad, this was done by institutionalising the right of the mayor and committee leaders to propose decisions in the case documents distributed to the councillors or committee members prior to their respective meetings. Formerly, as is normal in most Norwegian municipalities, the case documents would only have a proposed decision formulated by the CME. By doing so, Fredrikstad has adapted an arrangement that is considered a standard procedure in Denmark.

In Esbjerg, the role of the Committee of Finance (Økonomiudvalget) has been strengthened by including all the leaders of the other standing committees as members. Thus, the Committee for Finance has become the central arena for coordination and policy development in the municipality. The arrangement is presumed to accentuate political leadership through more coherent and competent political processes.

In both Fredrikstad and Esbjerg, the institutional changes are explained as a means towards making political leadership more pronounced and distinct from administration, thus promoting the ideal of separate roles. In the Danish case, the mayor emphasised the need to maintain a distinct political role despite being formal head of the administration. In this effort, the mayor had also chosen to abstain from participating in the meetings held by top administrative leaders (Direktionsmøter). As the mayor explains:

> It is an art, really, to avoid being sucked into the administrative part, and become part of the daily running (…). Before entering my present position, I was wisely advised to: Never forget you are a politician! (Mayor, Esbjerg, Denmark)

Similarly, the Danish CME also emphasised the importance of maintaining separate roles.

The mayor is, fortunately, conscious about not being an administrator. "(…) As an administrator – we have talked it through several times – it is my duty to keep the business running, while he must handle the political dimension, including the political parties" (CME, Esbjerg, Denmark).

While the Norwegian mayor in Fredrikstad also argued in favour of a distinction between political and administrative roles in principle, he also maintained that in practice the demarcation was less clear-cut:

> In my day-to-day function as mayor, I do not give it too much thought. But my opinion is that it is not watertight and it's not always easy to claim one thing

> as politics or administration. A solution is talking together [the CME and the mayor] (…). But I do not experience any sort of doubt about what is the CME's responsibility and what is the responsibility of politics (Mayor, Fredrikstad, Norway).

Emphasising this pragmatic interplay, the Norwegian mayor went on to suggest that the separation between politics and administration is mainly a procedural and internal matter. As the mayor explained, "People and public opinion do not see the difference between a proposal from a CME and a proposal from a mayor". In both cases, the mayor argued, most people would conceive case proposals as something that "the *municipality* was about to promote". Somewhat paradoxically, the mayor therefore also saw the new arrangement as a way of aligning politics and administration in the view of the general public that, in some cases, allowed the municipality to stay clear of unnecessary conflict and turmoil by allowing the mayor to alter controversial proposals made by the CME.

PAIR TWO: PROMOTING HOLISTIC POLICY DEVELOPMENT – HJARTDAL AND HEDENSTED

Hjartdal and Hedensted have introduced measures promoting holistic policy development by encouraging politicians to have a cross-sectorial outlook in all policy processes. While several of the institutional changes in the Danish cases included an ideal of promoting holistic political representativeness, the *dialogue meetings* introduced in Hedensted provide a particularly pronounced illustration of this ideal. The dialogue meetings are scheduled prior to the ordinary committee meetings and allow the committee members to have discussion about any issue brought forward by the politicians. The dialogue meetings were framed as a tool to ensure dialogue among the councillors and thereby coordinate issues across committees and political parties. Moreover, the mayor emphasised the dialogue meetings as an effort to avoid over-specialised committee members:

> As a member of a committee, you usually tend to see yourself as part of the sector served by the committee. But in the end, you're not an expert, you're a politician. It's been important to me to get the politicians back on this political track again (Mayor, Hedensted, Denmark).

Since administrative leaders are invited and allowed to speak, the meeting is also seen as a means towards encouraging dialogue between politicians and the administrative leadership. The CME of Hedensted, in particular, emphasised the

dialog meetings as important in building trust between political and administrative leadership.

In Norwegian Hjartdal, the aim is more restricted to the Executive Committee and the role of the councillors participating in the annual budget discussion. Budget discussions tend to be complex and rather technical. In order to empower the committee members and to allow for a more holistic discussion over the annual budget, the municipality of Hjartdal has introduced an arrangement where it is the Executive Committee that formally proposes a budget to the council, and not the CME, which is the most common Norwegian model.

In both municipalities, the interviewed mayors and CMEs emphasised politics and administration as clearly separate spheres. In Hedensted, the mayor understands her leading role as that of a representative of the citizens in the large public bureaucracy:

> I'm the upper leader of a large organisation, but I also realise that there is a line between my role and that of the CME (…). This line needs to be there. But I am the citizen's representative and voice in this large organisation (Mayor, Hedensted, Denmark).

The Norwegian mayor expressed similar ideas regarding representing the municipality's citizens, but also emphasised his own role in securing a unifying political climate. He criticised the tendency among some politicians to represent particular parts or interests in the municipality and emphasised the importance of appearing unified in important cases. In some cases, he argued, this made it necessary to vote against one's own conviction in the effort to ensure a public image of consensus. As he explains about one particular incident where he had done so:

> In this case, we had a large group of people to which we had to demonstrate that we stand united in the decisions we make (…) I thought it would have been unfortunate to have seven or eight votes against. It finally became a 14 against 1 vote. And to state it clearly, I completely agreed with the councillor voting against. I did voice my opinion. But it would have been utterly meaningless, when you know that you have lost a case, to provoke it any further [by voting against it] (Mayor, Hjartdal, Norway).

The Norwegian CME also stressed the need to appear unified. However, he noted that there was a tendency among local politicians to have the administration publicly represent controversial issues, and thus saw the new arrangement

as instrumental towards having the politicians take leadership by forcing them to propose the (often controversial) budget:

> Some [politicians] told me that "you are making us responsible". So, in a way, part of it is that they have to take [responsibility], they can't keep pushing the CME in front of themselves. (…). In a way, it is OK from my point of view, being in the role of the CME, it is OK for me to bring in unpopular proposals. My argument has been that it also creates an unnecessary turmoil among citizens and employees (CME, Hjartdal, Norway).

Similar to the mayor in Fredrikstad, the CME in Hjartdal saw the promotion of a more pronounced political leadership as a way of unifying political and administrative leadership in the effort to avoid the municipal leadership giving conflicting signals.

PAIR THREE: CO-CREATION – STEINKJER AND GULDBORGSUND

The Norwegian municipality of Steinkjer and the Danish Guldborgsund have both adapted measures aimed at promoting processes of co-creation involving the municipal organisation and local communities.

Both municipalities see themselves as incorporating numerous and quite distinct local communities. In Steinkjer, the strategy is to activate and utilise existing networks and voluntary organisations at the local community level. When a local community raises an important challenge and demonstrates that there is a local network in place to deal with it, the municipal administration will set up a project team of administrative staff and other resources to support the local community in solving the challenge. The co-creation strategy chosen in Guldborgsund is quite similar, but rather than utilising existing networks, the municipality is promoting the establishment of new networks in the local communities to deal with challenges and decrease the financial burden of the local government organisation.

The mayor in Danish Guldborgsund seemed to separate politics and administration to a lesser extent than the previously mentioned Danish mayors. On the one hand, he explained, "There are two doors and a border between them. If it's a question about our staff, it's one door, if it's a question about the 29 councillors, it's another door". However, he also argued that there is a need for "holes in the doors, so that if we are having a discussion about organisational issues, and a related political issue is brought up, I must be able to talk to the CME about it". The mayor explained that he took the liberty to talk to anybody in the municipal administration and that he would only occasionally inform

the CME about such contact. The mayor did, however, explain that this was a controversial practice and that a previous CME had taken issue with the mayor's communication with administrative staff.

The CME in Guldborgsund, on the other hand, seemed to draw a clearer line between politics and administration. According to him, administration was related to "long-term strategies", while politicians "solve the political dilemmas". In his view, administrative expertise was a necessary supplement to political leadership:

> On the one hand, I have an almost religious respect – local government politicians are the best there is (…). We should respect them, listen to them, and empower them as our absolute best. On the other hand – we have 29 councillors administering 4.5 billion, who, in principle, lack the necessary qualifications (CME, Guldborgsund, Denmark).

Meanwhile, in Norwegian Steinkjer, the mayor argued that the long-term strategies were largely set by political leaders through passing long-term plans. Still, he noted that the administration set large parts of the agenda in the day-to-day running of the municipality: "As mayor, I do set much of the agenda, obviously. But so does the administration. They throw cases at us all the time, cases that we have not asked for. That's how it is." Similar to the mayor in Fredrikstad, he emphasised the importance of a separation between political and administrative roles while also maintaining that a clear-cut definition was hard to give. Referring to a prior discussion in his own municipality regarding the municipal council's right to intervene in the CME's administrative organisation, he suggested that the autonomy of the CME depended on the goodwill of the municipal council:

> We've agreed that we give a lot of orders and make demands on the CME, and we cannot micromanage the CME on how she solves her tasks. (…). We have tried to tend to the CME's autonomy, meaning, [her] way of doing things. But we have on some occasions [done the opposite]. If there are areas that we have been dissatisfied with over longer periods of time: that does lead to more micromanaging (Mayor, Steinkjer, Norway).

The CME of Steinkjer also indicated that clear-cut definitions of the demarcation between politics and administration were hard to give and suggested that explicit discussions of these roles occur mostly when the interplay has failed:

> I've never been in a situation where it's been challenging. (…) If I and the mayor have a sit-down and tell each other that this is my responsibility and this is yours, then I believe we have already failed. This is about achieving something together. (CME, Steinkjer, Norway).

Akin to the CME in Hjartdal, the CME in Steinkjer noted a tendency among politicians to prefer having the administrative side of the organisation take the lead on proposing unpopular policy choices. However, the CME in Steinkjer sees this as an integral and fairly unproblematic part of the interplay between politics and administration:

> That is a part of my role and I act on it. I think that's okay. It's a large part of what we do. I mean, when I tighten [the budget] some places, and also put some money into the reserves, it is in order to let the politicians do politics on something. So, we agree, that's how it has to be. And I'm happy to be the wolf (CME, Steinkjer, Norway).

PAIR FOUR: POLITICIANS AS HANDS-ON POLICY DEVELOPERS – SVELVIK AND GENTOFTE

Norwegian Svelvik and Danish Gentofte have introduced measures aimed at bringing politicians in on the early stages of some pre-selected policy processes. By introducing ad hoc committees, these two municipalities have partly set aside administrative actors in the early stages where policy alternatives are developed, assessed and proposed. In that respect, this is a radical change in the interaction between politics and administration.

Danish Gentofte developed ad hoc committees some years ago as a replacement for the standard standing committees in Danish municipalities. The main idea of ad hoc committees is to engage both politicians and citizens in policy development. Each of the committees consists of 10 selected citizens and five elected councillors, while administrative personal serve as facilitators. Each committee is given a mandate explaining a challenge to discuss and a delivery to make. In Danish Gentofte, the report containing policy suggestions from each ad hoc committee is delivered to the council, which then defines the next step. The Norwegian municipality of Svelvik adopted the idea from Gentofte, albeit in a more modest form. Svelvik has also chosen to keep the standing committees, and the reports from the ad hoc committees are delivered to the administration, not to the council as in Gentofte.

According to the Danish mayor, the ad hoc committees of Gentofte were established "after years of searching for how to modernise the political leader-

ship". The mayor argued that this was a total "redefinition of our political work, with more engagement among citizens, more activity and more co-creation", and explained this redefinition as a necessary renewal of local party politics. Similarly, the CME explained how the new committees have altered the way policies are developed:

> In the old days, the politicians asked the administration – "What do you think?" And the administration told them what the law said [….] and the administration made the real decision. Now we say: Come politicians and citizens and tell us what you think. Then, unless their suggestions are against the law, we have a look at it (CME, Gentofte, Denmark).

In Svelvik, the introduction of ad hoc committees was also seen as a means towards renewing political leadership. Similar to Gentofte, the ad hoc committees placed politicians alongside a selection of citizens at the development phase of certain policy processes chosen by the municipal council. As such, the mayor emphasises ad hoc committees as a means to provide politicians, who have been content in the traditional structures of local politics, with a new and more active role:

> Some of what I find fun with ad hoc committees is that some politicians who have not found their place in this [traditional] decision-making machinery, have now suddenly found a new role. A more active role where they have to participate. It's not possible to have party meetings before attending the ad hoc committees. So, the ad hoc committees, in a way, [they] free more politicians from the power structures of the parties (Mayor, Svelvik, Norway).

In Svelvik as well, this arrangement means having the administrative leadership in a less intrusive role during the early stages of these policy processes. As the CME explains, the administration only participates as facilitators to the committees, "…providing facts, if that's requested. Then, eventually, when the mayor receives the proposals from the ad hoc committees, the cases are moved into the ordinary procedures." In general, the CME in Svelvik emphasised the superior role of politics and explained the separation between political and administrative leadership as a division of labour:

> The way I like to understand it, I think we are in many ways a team of leaders who both have our different channels available. I have my channel into the organisation, and |the mayor] has the channel to the municipal council and to the citizens. That's the division of labour put simply. It is the municipal council

> with the mayor who decides where we are heading. It's not all black and white, but it is the administration, my people, who decide how we should perform the task (CME, Svelvik, Norway).

SUMMING UP THE FOUR PAIRS

In the first pair, Fredrikstad and Esbjerg, our analysis suggests that even if a clear-cut line between politics and administration is hard to draw, the separation between politics and administration seems to be the prevailing idea informing the institutional designs. Both these municipalities have made efforts to visualise the political and the politicians at the expense of administration and administrative leaders. However, while the institutional change in Fredrikstad (mayor proposes) seemingly represents an effort to withdraw the CME from politics; the change in Esbjerg (committee leaders in the Committee for Finance) seems more attuned to withdrawing the councillors from the administrative sphere. In both cases a clearer separation is a likely result.

In the second pair, including Hedensted (dialogue meeting) and Hjartdal (budget), the intention is to develop a more holistic type of political leadership. In Hedensted the aim is to promote comprehensive policy development across administrative silos, while the case of Hjartdal is seemingly to develop political leaders that to a greater extent adopt the perspective of the CME. In both cases, even if ideas about a separation of politics and administration certainly exist, the institutional change contributes to a broader and deeper relationship between politics and administration.

The third pair, Steinkjer and Guldborgsund, have made institutional changes (co-creation) that to a large extent create shortcuts between citizens/communities and administrative staff, with less direct involvement of political leaders. To the extent these efforts influence the political-administrative relationship, it is by reducing the number of political issues and relieving the financial burden of the municipal organisation. In both municipalities, leading actors express a typical pragmatic view of the political-administrative relationship, and they seem to understand this as an internal issue that should not be spelled out to the public. For these actors, this is not so much a question about politics versus administration, as it is about the municipal organisation as a whole and its relation to its citizens.

The fourth pair represents two rather radical attempts to empower elected politicians in the early stages of a policy process (ad hoc committees). The institutional change is almost similar in the two municipalities, but while Gentofte has gone further in replacing its former system with the new arrangement, Svelvik has kept a larger part of the old system. Moreover, the legal constraints

in the Norwegian case led to an administrative processing of the propositions from the ad hoc committees. In both municipalities we find prevailing ideas about political leadership that are clearly distinct from administrative leadership, and an intention to strengthen the role of elected leaders in the framing of policy problems. Especially in the case of Danish Gentofte, there is every reason to believe that such a change has taken place.

The eight cases discussed above clearly demonstrate the significant intra-national variation in Norway and Denmark. Formally, Danish mayors are heads of the administration, while their Norwegian counterparts chair the council. However, even if the two national sets of municipalities each act under a common legal framework, there is no clear script defining political-administrative interaction. Some Danish mayors, like in Danish Hedensted, seem to adhere to a role that is more typically "Norwegian" than Danish, while some Norwegian mayors seem to take a stronger role vis-à-vis administration compared to their legal role.

CONCLUDING DISCUSSION

The main aim of this chapter is to answer how the interaction between political administrative leadership is perceived by local political and administrative leaders in the two countries. Our analysis illustrates that despite a significant institutional difference related to the role of the mayor, top political and top administrative leaders in Danish and Norwegian local government have very similar perceptions about political and administrative leadership and the roles involved. Moreover, our findings suggest that the intra-national variations seem to outweigh the cross-national differences, indicating that factors related to context and the individual level strongly influence role perceptions and behaviour.

Following the suggestion by Alford et al. (2017) that the idea of a line between politics and administration should be supplemented by the notion of a "purple zone" reflecting the varying nature of the interface, our findings suggest that the interaction is characterised by ideas about a *line*, but in daily operations this takes the form of a *zone*. In other words, while there are expectations of a clear and principal line between politics and administration, the daily work is more characterised by pragmatism and ad hoc solutions.

Still, the above analysis illustrates that the idea of a separation is somewhat different in the two national contexts. In the Danish cases, the overarching objective is to create arenas where politicians are allowed to "do politics". This perception resembles the classic idea of Wilson, where the separation most of all is about moving politics out of administration. In the Norwegian cases, where the CEO has a strong formal position, the objective is more in line with the

reasoning of Weber, emphasising that administration needs to remain within its own bureaucratic domain.

Despite these differences at the conceptional level, in operational terms the interactions between administrative and political leaders seem quite similar in the two countries, and much more similar than what would be expected based on the two different frameworks. A possible explanation would be that, regardless of overall institutional framework, in their everyday work top political and top administrative leaders find themselves in a blurred "purple zone" where abstract ideas about a separation do not match their daily activities.

To the extent that the latter explanation is valid, it would indicate that the theoretical typologies explored in the theoretical section mostly refer to the ideational level. In practice, the cross-national institutional variations are less pronounced. Exploring this in more depth would, however, require more prolonged and observation-based studies combining approaches and perspectives from different disciplines, and preferably in a comparative design. Through its focus on unpacking external variables as local beliefs and practices, ethnographic methodology and interpretive perspectives would seem to provide ideal tools for this task (see e.g., Rhodes, 2017; Lo, 2021).

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CHAPTER 13

Local government access to central-level decisions: The case of Norway

Jacob Aars

ABSTRACT

The purpose of this chapter is to discuss some of the channels available to the municipal sector for access to central government decision-making fora. What potential do the municipalities have to influence national policy for local government? The chapter discusses several potential access channels: a) the local government interest group, Norwegian Association of Local and Regional Authorities (KS), b) the political parties, c) political career path, i.e., Members of Parliament with a background from local government, d) sector links between levels of government, and e) local/regional government represented by the role of County Governor. The chapter demonstrates that the municipalities have numerous potential access channels. Yet, the channels vary with respect to how effectively they link local authorities to central government decision arenas. The conclusion is that the portrayal of the municipalities as impotent victims (of an over-eagerness for local government by the state) needs to be coloured by studies that provide detailed analyses on how the municipalities utilise their potential access channels.

Keywords: local government, central-local relations, access, multilevel governance.

INTRODUCTION

Local government has been an important topic throughout Dag Ingvar Jacobsen's authorship. Not only has he written extensively about various aspects of local politics and administration, in most of his studies, he has applied an organisational perspective. As one of only a few, he has studied politico-administrative relations at the local level (Jacobsen 1996, 2006). Moreover, he has taken interest in interorganisational aspects of local government, studying network organising (Zyzak and Jacobsen 2020) as well as intermunicipal cooperation (Jacobsen 2014, Jacobsen and Kiland 2017). In the following chapter, I have taken inspiration from the interorganisational approach of Jacobsen. However, instead of horizontal relations, this chapter deals with organisational linkages between different tiers of government.

Numerous articles have been written and many claims have been made about the central level's steering of local government, thus how the central level impacts the local level. But far less has been written and said about the potential for local authorities to influence decisions at the national level. It is claimed that governmental legislative activism has curtailed the scope of local government discretion; that by assigning legal rights to individuals, local government is

no longer a political forum. The economic steering of local government also appears to restrict leeway for the municipalities. The municipalities must abide by limits as to how much they can tax their citizens. Moreover, the governmental funds transferred to the municipalities are often insufficient – according to the municipalities – to cover the expenses of fulfilling their governmental duties. On the other hand, this debate has to a large extent neglected the *municipalities' access to central government decision-making fora*. In a unitary state the distribution of power between central and local government is bound to be skewed in favour of the central level. Yet, the picture will be incomplete if only central-level impulses are taken into the account. The local level's capacity for affecting central-level policy decisions is also important. It is therefore crucial to raise the issue of what options the municipalities have to influence their own terms and conditions via the various channels for access to central government decision-making arenas. The purpose of this chapter is to discuss some of the *access channels* available to local government in relation to central government decision-making fora. As there is currently a limited literature on this topic, the most important objectives for this chapter are: a) to provide information on the status of the knowledge we have about the municipalities' potential to influence national policy for local government, and b) to identify some of the key questions that we need to address in order to obtain a fuller understanding of central-local relations.

Norway will serve as our case. The Norwegian local government system is characterised by a high degree of integration between central and local level (Kjellberg 1988). Norway is a unitary state where local government is delegated authority from the state. In 2016 the Parliament (the Storting) voted in favour of introducing certain limited constitutional provisions to safeguard local autonomy, but protection is still rather weak. Local government is responsible for several functions of national importance, especially related to welfare functions. In a highly integrated system like the Norwegian one, both downstream and upstream processes will affect the character of central-local relations. Integration implies a relation between two or more parts and thus presupposes two-way communication. A great deal has been said about top-down steering. Less is known about how and to what degree the local level exerts influence on the central level.

In the first section of the chapter, I will describe certain aspects of the Norwegian decentralised welfare state. I will especially direct attention to the inherent mutuality in the integration model. In the main section of the chapter, I discuss various forms of access and our existing knowledge about the different access channels. More specifically, the chapter discusses potential access channels via: a) the local government interest organisation, Norwegian

Association of Local and Regional Authorities (KS), b) the political parties, c) political career path, i.e., Members of Parliament with a local government background, d) sector links between levels of government and e) local state linkages, especially represented by the role of County Governor.

THE DECENTRALISED WELFARE STATE MODEL AND THE ROLE OF LOCAL GOVERNMENT

In 1837, the "Formannskapslovene" or Norwegian laws governing local government were adopted by the Storting. These laws have been described as a "local government constitution" and were of major importance for the realisation of the principles upon which the national constitution was based. Several Norwegian historians, including J. E. Sars and Arne Bergsgård have written that the "Formannskapslovene" provided local foundations for the Constitution of Norway. The legislation gave rise to local participation and commitment. As such, the new municipal institution was decisive in allowing the citizens to exercise their political rights. In those early years after the local government laws were adopted, the municipalities had a limited number of tasks. Over time, local government has become more important for the realisation of the welfare state and, consequently, also the realisation of the citizens' social rights. Historically, many welfare services were initiated by local authorities. Tore Grønlie's concept "welfare municipality" encapsulated the pioneering role played by the municipalities (Grønlie 2004). Later, the central government utilised local government to realise national welfare policy objectives. With the decentralisation of the welfare state after the Second World War, welfare services became available on a different scale than if these services had been provided by the state (Hansen 2014: 257). With the municipalities being assigned a key role in realising the welfare state objectives, closer links were formed between central and local government. Nonetheless, the underlying reason for utilising the municipalities was to exploit the fact that the local citizens possessed the knowledge of local conditions. The gains achieved from decentralising the welfare state would be lost if local government discretion were to be excessively restricted. In other words, despite the universalistic ambitions for the welfare state, a decentralised welfare model required a relationship between central and local government that was based on a certain level of mutuality. The Norwegian welfare state therefore features a high level of integration between central and local levels (Kjellberg 1988).

Much of what has been written about the relationship between central and local government in Norway has focused on the asymmetry of the relationship, and the fact that the scope for local governance has been restricted, partly

as a result of the transfer of substantial welfare tasks to the municipalities. Fimreite and Flo argued that the Government governs the municipalities by under-financing statutory tasks. They referred to this municipal model as "the effectuating municipality" (Flo and Fimreite, 2002). In other words, they maintained that the role of the municipalities is restricted to executive tasks so that the municipalities are merely executive bodies for central government policy, with no option for independent influence over the contents of such policy. The authors of the final publication for the state-funded "Power and Democracy" study (Østerud, Engelstad and Selle 2003) focused heavily on the increased scope of individual rights. Such legalisation, it was claimed, affected the relationship between the public bodies and the individual, in that new regulations laid the foundations for individualised legal claims. However, this process of assigning rights also affected the relationship between government tiers, since centrally adopted legislation restricted the scope for local political priorities. The "Power and Democracy" study's analysis of local autonomy was pessimistic on the part of the municipalities. The local politicians were "… left with responsibility but no power." (Østerud et al. 2003: 159).

There is little doubt that the transfer of nationally important welfare tasks to the municipalities has resulted in restrictions in local autonomy. Comprehensive central steering is perhaps the price the municipalities have had to pay in the process of becoming instrumental in realising the welfare state. Yet, a number of reports have added some nuances to the image of the municipalities as mere executive bodies for state policy within the field of welfare. The Commission on Local Democracy in Norway (NOU 2005: 6) does not fully embrace the bleak conclusions made by the "Power and Democracy" study on behalf of local autonomy. In a comprehensive international comparison of the position of the municipalities within the national governance systems, Sellers and Lidström (2007) found that Norwegian and Nordic municipalities can be defined as having a wide range of tasks (particularly within welfare) combined with a relatively high level of autonomy. Two more recent comparative reports also provided a more blended representation of local autonomy in Norway (Baldersheim et al. 2019, Ladner et al. 2019). In general, the Nordic countries receive high scores on the autonomy indices. Compared to the neighbouring countries, Norway enjoys limited fiscal autonomy but has strengthened legal autonomy after the inclusion of local self-government in the constitution in 2016.

ACCESS

Page and Goldsmith (1987) characterised relationships between state and local government along three dimensions. Firstly, this relationship varies in terms of *autonomy*, i.e., the extent to which the municipalities have the discretion to prioritise independently. Secondly, the central-local relationship varies with regard to *functions*, i.e., the portfolio of tasks assigned to local government. Thirdly, the central-local relationship may vary in terms of the municipalities' *access* to central government decision-making fora. Access is the main topic for this chapter.

According to Page (1991), access constitutes a political dimension since it entails the potential to exercise influence over decisions at central government level. In this chapter, it is important to clarify that access involves *admission* to decision-making fora, not necessarily influence over the decisions made there. At the same time, influence presupposes access. In this chapter, however, the focus is on the potential to exercise influence, not to what extent the municipalities are able to exploit such potential.

Another important point to clarify involves who has access. The municipalities are the focus point in this chapter. The chapter is, in other words, a study of access for the municipalities. This can, however, be more or less direct. An individual municipality may seek influence by independently contacting elected or non-elected representatives of the central level. However, access is often more indirect. The municipalities, for example, are represented at the central level by their interest group, the Norwegian Association of Local and Regional Authorities (KS). With KS however, access is still relatively direct since KS is the formal representative of the municipalities. Another access channel is the local political background of the Members of Parliament (Hansen and Hovik 2001, Hansen, Hovik and Klausen 2000, Aars 2014). The assumption in this case has often been that MPs with a background from municipal councils may act as spokespersons for the interests of the municipalities in their role as MP. If this is correct, it may afford the municipalities an indirect and informal access to the Storting. The MPs do not formally represent the municipalities, and to the extent that such career-related associations can provide access for the municipalities, then such access is indirect. In this chapter, the aim is to discuss access channels that are more or less direct. There is, however, reason to believe that the most direct access channels will also afford the greatest potential to exercise influence over the decisions made.

ACCESS CHANNELS

Below, five different channels for local government access to central government decision-making fora are discussed:

1. The corporative channel, with a particular focus on the so-called "consultation scheme" for dialogue between the state and local government sector, represented by KS.
2. The party channel, with a special spotlight on the parties' national congresses as a forum for contact between local and national political elites.
3. The career channel, with a particular view to the importance of the local government background of Members of Parliament.
4. The sector channel, with a specific emphasis on sector-specific contacts between local government and central government agencies.
5. The local state channel, with a particular focus on the County Governor as the link between state and municipality.

The discussion of the individual access channels concentrates on how linkage is established as well as to what extent influence can be exerted through these different channels. Of particular interest is the question of whether local government access is direct or indirect.

THE CORPORATIVE CHANNEL

KS (the Norwegian Association of Local and Regional Authorities) is the interest organisation for the municipalities and county authority. The organisation plays an important role from an access perspective since it is the formal representative of the municipalities in relation to the state. All 356 municipalities in Norway as well as the 11 county councils are members of KS.

KS operates through several means to influence the framework conditions for the municipal sector, but one particularly important area for exchange of experience and influence is called the *consultation scheme*. This scheme was formalised in 2001 (Borge 2009, Indseth, Klausen, Møller, Smith and Zeiner 2012) after a trial period of around one year. The scheme bears some resemblance to the Danish negotiation system but is less binding and more consultative. Normally, four consultation meetings are held every year. These meetings are normally attended by the cabinet minister in the Ministry of Local Government and Modernisation together with Parliamentary Secretaries and top-level bureaucrats. KS is normally represented at these meetings by the board leader and manager. Municipal economy and the central government's system for financing the municipalities have been at the top of the agenda during the consultation meetings.

The consultation scheme can be interpreted as a development towards a more negotiations-based relationship between state and municipality (Indseth et al. 2012). As such, the scheme has features in common with the partnership model on which both the NAV (Norwegian Labour and Welfare Administration) reform (Andreassen and Aars 2015) and the coordination reform within the health sector ("samhandlingsreformen") (Hanssen, Helgesen and Holmen 2014) are based. Negotiations-based solutions suggest transparency, mutuality and equality. The image of how the scheme works in practice is more ambiguous. The meetings feature transparency and dialogue, but KS appears to be the active party (Indseth et al. 2012: 114). KS puts forwards requirements and views, while the state provides information and takes input from KS "under consideration" (Indseth et al. 2012: 114).

One inherent problem with the consultation scheme is that the role played by KS may be put under pressure. On the one hand, the scheme, as we have seen, provides an arena for advancing interests and is, as such, a valuable access channel for the municipalities. The consultation meetings provide important information to the municipalities at an early stage in, for example, central government reform processes. As such, the meetings also afford an opportunity to promote views and communicate experience at a phase of the central government policy development process during which local government previously had poorer access. On the other hand, KS may face a potential problem if future developments with the scheme come to represent more commitment. The question is to what extent KS can enter into commitments on behalf of its members and, if so, will the organisation be seen as a spokesperson for its members or as an extended arm of central government?

In general, the relationship KS has with its members is not without tensions. Hanssen, Saglie and Smith (2012: 320) demonstrated in a study of local government party leaders and group leaders in the municipal councils that 37% of those asked considered KS to be very successful or relatively successful as a spokesperson for the municipalities in relation to central government authorities. A lower percentage felt that KS is a good support for the members in conflicts of interest with the state or a good mediator in conflicts of interest between municipalities and the state. However, the most striking aspect of Hanssen et al.'s findings is the relatively high level of indifference and lack of knowledge about how their interest organisation works. Close to half of those asked had no notion of how KS performs as a mediator vis-a-vis the state. If we add the 20% who replied "either/or", two thirds of the members have little knowledge or are indifferent.

In summary, the corporative channel is an important access channel, not least because KS formally represents the municipalities in meetings with the

state. The consultation scheme provides local government with an insight into central government decision-making processes at an earlier stage than before the consultation scheme was launched. At the same time, the relationship between KS and its members is not without issue. Potential tension may arise in relation to the consultation scheme, where KS risks being perceived as having excessively close links with the Ministry of Local Government and Modernisation or other ministries.

THE PARTY CHANNEL

Several former contributions to municipal research drew attention to the role played by the political parties as a link between the tiers of government in Norwegian politics (Hjellum 1967, Kjellberg 1965, Rokkan and Valen 1962). Since these initial studies of local government party politics were published, the nationalization of local party systems has seen an increase (Aars and Christensen 2013). In local elections, the majority of Storting parties run lists between 70% and 100% of municipalities. Allern and Saglie (2012: 237f) pointed out that there is also a significant degree of vertical integration within Norwegian parties. The party members are members of a national party but are also linked to local parties. The local parties are linked to the national party organisations via their county branches. Nomination for national elections is based on counties as districts, i.e., counties are constituencies.[i] In other words, there is abundant evidence to suggest that the parties potentially provide access channels for the municipalities.

Since counties constitute the electoral districts in parliamentary elections, the link between MPs and constituencies is at county level. However, local party branches often strive to have their local candidates nominated (Heidar and Karlsen 2018: 72). Moreover, while in parliament, MPs are eager to stay well-informed about matters "back home" (Fenno 1978). The constituency link is primarily directed towards the party organisation, but MPs also meet with mayors and councillors when visiting their constituencies (Heidar and Karlsen 2018: 76).

The national party conferences appear to be a particularly important arena for inter-level communications. According to Heidar and Saglie (2002: 239), these conferences have retained their function as political workshops (programmes and recruitment) for the parties. The majority of national congress delegates are elected by the county parties. Yet, local party branches are entitled to comment on draft versions. Nonetheless, the party channel has been subject to little research as an access channel for local authorities. Apparently, the last time data was collected regarding the party delegates' local government affil-

iations was in the late 1980s. At that time, Heidar (1988: 91) demonstrated, in his study of Norwegian party elites, that 41% of the national congress delegates held elected posts in local councils, while 18% were county councillors. In other words, approximately 60% held public offices within the municipal sector. It is not known whether these figures have changed over the past three decades. Nonetheless, there is no evidence to suggest dramatic changes.

Local government access through national party conferences has certain significant limitations. As opposed to KS, the national congress delegates do not formally represent their municipalities; they represent their individual local parties. Neither are they formally held accountable to local government when they return from the national congress. Furthermore, the locally elected delegates do not interact directly with the relevant state bodies in their capacity as delegates. Some parties are in government while others aspire to be. Actual access to central government decision-making fora will thus vary. Nonetheless, no national congress delegates formally act as representatives for the Storting or government. The national party conferences are instead a party-internal arena, and the collective issues for the delegates are national issues. Audun Skare (1996) pointed out that, in essence, party politics are national politics. Hence, even if they have held local government office, many congress delegates probably relate primarily to the national issues that matter to the party at this level. The national congress is an opportunity for the party to promote national policy issues. Consequently, many proposals may in reality entail limitations to local governmental discretion with the earmarking of funds for specific initiatives or the requirements for assignment of individual rights for welfare services as examples. Consequently, there is a chance that local government politicians, in their capacity as national congress delegates, may help promote proposals that in fact could restrict future local government discretion.

To sum up, the party channel is a potentially important access channel, but few studies have paid attention to the extent to which the parties actually provide the *municipalities* with access to central government decision-making fora. This channel represents, at best, an indirect means of access for local government. In principle, the national party conferences are most likely arenas for internal party debates. We lack knowledge of the specific voting behaviour of local government politicians and other activities in their capacity as national congress delegates, but it is quite likely that the national party conferences, also for local councillors, are opportunities to formulate policy for the party at national level.

THE CAREER CHANNEL

The political system can be interlinked since the careers of individuals intersect levels of governance. Political career paths thus represent potential links and channels for access between government bodies at both lower and higher tiers. However, it is not necessarily a simple matter to assess the effects of transitions from one level to another. Does the person making the transition become an advocate for his or her former political community or a representative for the current community? Would this person then constitute an access channel or an instrument for central government?

Different research traditions have taken different normative approaches when assessing the significance of political careers that intersect levels of government. Within research of central-local relations, the starting point tends to be that local political background among central politicians represents an access channel for the local authorities. The higher the number of parliamentarians with a local political background, the better local authorities' interests will be represented at central government level. The issue of inter-level integration has been a major focus point in studies of the European Union (Checkel 2005; Egeberg 1999; 2004; Trondal 2004). The focal issue for these studies is the extent to which and under which conditions European institutions are able to re-direct actors' attention and identities from a national to a supranational level. One could argue that the EU studies investigate integration from the top downwards, whereas the state-local government studies ask to what degree inter-level integration is bottom-up, in that former local politicians act as spokespersons for the municipalities in their role as parliamentarians, thus providing the municipality with access to the national assembly.

Below is a brief descriptive overview of local government background for Norwegian Members of Parliament over the past 60 years. This is displayed in Figure 13.1.

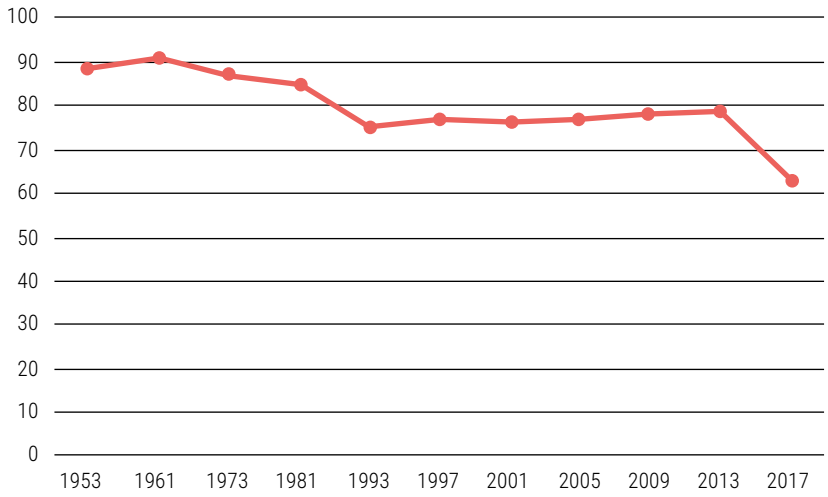

FIGURE 13.1: Norwegian MPs with previous experience as local councillors. Percentages 1953–2017. Source: Hansen and Hovik (2001: 272), supplemented with data from Norwegian Centre for Research Data

Hansen and Hovik (2001) studied the local government background of MPs up to 1993. This period showed a relatively evident reduction in the ratio of national politicians with local political experience. The peak was in 1961, when more than nine out of ten Storting representatives had served as a local councillor. After the 1993 election, the level stabilised and has even seen a slight increase before the very latest election, in 2017. The 2017 election represented a clear disruption of an otherwise stable picture. Yet, apart from this, the figures do not show clear signs of a reduction in the number of national politicians with a local political background.

Hansen and Hovik, however, identified several more specific trends among the Norwegian parliamentarians. Firstly, they registered that the average time of service on municipal councils had seen a significant reduction during the period from 1953 to 1993. Secondly, the share of MPs with a background as mayor has fallen substantially over the 40-year period observed. It therefore appears evident that the Storting now has a smaller share of MPs originating from a former local government elite. Arguably, local government socialisation among MPs has grown weaker over time as the national politicians have not held positions with the same level of exposure in local government as before. As a result, identification with the municipality may have grown weaker.

In comparison with other European countries, Norway emerges as the country with the highest level of integration between national political and

local political careers (Best and Cotta 2000). In the 1970s, Eliassen and Pedersen (1978: 299) observed that Norwegian MPs more often than their Danish counterparts, had acquired local political experience before entering parliament. As Hansen and Hovik demonstrated, a certain decline can be observed towards the end of the time series, and Norway no longer tops the list of MPs with local political experience.

What can we conclude, though, about the significance of these multi-level careers? Existing studies reveal that there is reason to doubt the hypothesis that a high share of national politicians with a local government background provide the municipalities with a voice at the Storting and thus access to the Storting. MPs with experience from local politics tend to have less confidence in Norwegian local authorities' willingness and capacity to prioritise between important welfare assignments (Aars 2014). Representatives originating from municipal councils are significantly more sceptical of the municipalities than representatives without such a background.

To recapitulate, even though MPs may have local political experience, they do not necessarily act as representatives for local government. The assumption that MPs with local government background will act as ambassadors for the municipalities' interests relies on a premise that socialisation from local government policy overrides the individual's identity as a national politician. It has been demonstrated that local political background may indeed result in a more critical approach to local authorities. This may be attributed to the fact that national politicians currently have a shorter term of service and fewer central posts in the municipalities than before. Notwithstanding, this finding implies that potential access provided by multi-level careers is at best uncertain.

THE SECTOR CHANNEL

When local authorities historically were assigned to take care of national welfare tasks, special legislation was introduced within most of the different service areas. These designated laws govern the assignments the municipalities are ordered by the state to perform, such as education and care for the elderly. The laws were accompanied by requirements to establish bodies by special statute within the areas covered by the special laws (Fimreite 2003: 338). Examples of such bodies were the Local Education Authority and the Local Health and Social Care Authority. The municipal special bodies had counterparts in the different administrative sector units. The local administrative units mainly corresponded to the state-level units. This not only implied that municipal activities were sectorised, but that this sectorisation in the municipalities principally corresponded to sectors within central government administration.

Anne Lise Fimreite argued that this so-called "mirror image organisation" has played an important role in the state-municipality relation as a supplement to governing through legislation and economy:

"One aspect of the 'mirror image administration" was that it allowed informal governing, or what we can refer to as tutorial steering, by means of sector affiliations in the relation between state and local government. This took place via consultation, guidelines, submissions etc." (Fimreite 2003: 339).

According to Fimreite, this system of parallel organisation across government tiers provided the foundations for state the state's steering of municipal activities. However, the forms of steering were relatively moderate. At the same time, the schemes involving consultation, guidelines and hearings imply a certain extent of reciprocity. In other words, the parallel organisation was not merely a system facilitating steering of the municipalities, it also paved the way for the municipalities to communicate their views to the central government sector authorities. This was notably significant as professional occupational groups became increasingly important in the delivery of municipal services (Ramsdal, Michelsen and Aarseth 2002). Sectorisation thus represented a potential access channel for the municipalities.

However, the Local Government Act introduced in 1992 meant a significant impairment of the system of mirror image organisation. The 1992 act liberated the municipalities in terms of organisation (Larsen and Offerdal 2000). Prior to 1992, municipal organisation was bound by the organisation stipulated in the designated laws. After 1992, the municipalities were free to organise as they saw fit. The close ties between sectors gradually came undone (Fimreite, Tranvik, Selle and Flo 2007). This also resulted in a weakening of the sectors as a potential access channel.

In summary, to the extent that local authorities have had access to central government decision-making fora via the sector channel, these fora have been sector-specific. The potential for access is also uncertain. The sector links may have been more important as a tool for central steering than as an access channel for local authorities. After 1992, the parallel organisation has clearly grown weaker, and it is an open question whether the importance of links between professional groups at different levels have diminished.

THE LOCAL STATE CHANNEL

The local and regional state apparatus is far-reaching and entails many types of contacts between state and municipal authorities. The most important channel for contact between state and municipality at local/regional level is the *County Governor*. According to the instructions issued by the Ministry of Local

Government and Modernisation, the County Governor has three functions. Firstly, the County Governors represent the King and the government in the county. This implies that the County Governor "… shall make sure the Storting's and government's decisions, objectives and guidelines are followed locally." The County Governor should also make sure that the municipalities and county councils comply with legislation and regulations. Secondly, the County Governor shall "… help coordinate, simplify and improve the efficiency of state activities in the county." Thirdly, the County Governor provides guidance for the municipalities and county councils. The County Governors should provide help and assistance but also "… contribute to ensuring that the general public administration in the county provides the municipalities and county authority with the necessary guidance and assistance with the social assignments they are tasked to perform." In addition to the three above-mentioned functions, the County Governor serves as the appeals body for decisions made in the local council. Finally, it is the task of the County Governor to keep central government authorities informed of issues that are important to the local and county authorities.

Even though the office of County Governor is primarily an instrument for steering and control of the municipalities, there is a strong tradition whereby the County Governors communicate information on local conditions to central decision-making authorities. The County Governor thus represents a potentially significant access channel for the municipalities. Terje Edvardsen's (1979) study of the decision-making process prior to the construction of a shrimp processing facility on the island of Utsira is one example of how a County Governor can actively operate to promote the interests of a municipality. In this case, the County Governor was perceived as a "spokesperson for the periphery" (Edvardsen 1979: 167).

One main topic in Yngve Flo's (2014) book on County Governors is the fine balance between acting as a representative of the state and communicating municipal interests. It has not been uncommon for the County Governor to act as spokesperson for the views of local authorities, as indicated in the following quotation:

> The office of County Governor was the closest ally for local authorities and an important link between the national and the local democracy. (Flo 2014: 616).

This function was also recognised by representatives of the central administration in Hansen et al. (2009) in their report on the office of County Governor. Their interviewees emphasized that the County Governors are:

… very good spokespersons for the municipalities in the county they represent. (Informant, central administration). (Hansen, Indset, Sletnes and Tjerbo 2009: 133)

The County Governor can act as representative for both the state and the municipality (Flo 2014). This dual function is essential. The most important task for the county governor is to act as representative of the state at the local and regional levels. However, the comprehensive contact with local authorities provides the County Governors with in-depth knowledge of the situation locally. This knowledge is often communicated to the Ministry and other central government agencies. As such, the office of County Governor represents an important intermediary and an access channel from local to central level of administration.

In summary, it could be argued that the office of County Governor provides local authorities with an important access channel The municipalities' access is, however, indirect as the County Governor is the *link* between the municipalities and the decision-makers. Nonetheless, it could also be argued that the municipalities are directly represented since the County Governors are formally obliged to communicate information on the municipalities' situation. Although the office of County Governor is obliged to act on behalf of a governing and controlling state, the County Governor remains an important spokesperson and thus a significant access channel for the municipalities.

CONCLUSION

The integrated state-municipality model implies close links between state and local authorities, not least within the field of welfare. However, integration between the central and local levels has too often been interpreted as synonymous with central steering. The integration model does in fact presuppose two sides. This does not necessarily imply equality for both sides, since this is unrealistic in a unitary state such as Norway. However, integration must entail a certain degree of mutuality so as not to be a purely hierarchical relation. It is therefore also a crucial task to study the opportunities available to the presumptively weakest party in the relationship to gain access to decision-making arenas that involve them.

The chapter demonstrates that local authorities in fact have numerous potential access channels. The portrayal of the local government as impotent victims of over-eager steering by the state should at least be coloured by studies that provide detailed information on how the municipalities utilise their potential access channels.

Nonetheless, in Norway as in other countries, local self-government implies variation. Defining the municipal sector's interests is no simple task, as continuously experienced by the local authorities' own interest group, KS. The discussion of the different access channels has revealed that the potential representatives for the municipalities do not always conduct themselves as ambassadors for the municipalities. Local councillors may in their capacity of party delegates vote at party national congresses in favour of proposals that help restrict local autonomy. MPs with experience from the municipalities may turn out to be local government's harshest critics.

Research into the state-municipality relation requires more thorough studies of access at the municipal level to central government decisions. Additional research is required to provide more precise information about how the different access channels work, i.e., to what extent local authorities are able to influence the local government policy agenda at the central level and to what extent they succeed in having their interests heard. New studies of access for local government will be of major significance in supplementing the comprehensive research on central-local relations.

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NOTES

[i] After the regional amalgamation reform, 19 county councils were reduced to 11. Still, the previous 19 counties serve as electoral districts in Storting elections.

[ii] Ref. the Norwegian Ministry of Government Administration, Reform and Church Affairs (2012). The role of County Governor. Development and challenges. Oslo: The Norwegian Ministry of Government Administration, Reform and Church Affairs.

CHAPTER 14

The politics of privatisation: A panel data analysis of the local political situation and share of private kindergartens in Norwegian municipalities

Nils Arne Lindaas and Pål E. Martinussen

ABSTRACT

Following the kindergarten reform of 2003 and the later Childcare Law of 2005, access to kindergarten was made universal in Norway. The municipalities were given the responsibility for providing an adequate coverage for kindergarten places, and they largely depended on private providers to provide a sufficient coverage. This study investigates whether the share of private kindergartens in Norwegian municipalities is a result of the local political situation or rather a result of "pragmatic considerations". Using longitudinal data from Norwegian municipalities in the period 2001–2016, the findings indicate that the pragmatic aspects outperform the political and ideological aspects both across and within the municipalities. We find that on average over the entire study period, municipalities with higher incomes and larger populations had lower shares of private kindergartens. As this study only find weak effects of the local political situation on the share of private kindergartens, it adds to a growing body of literature documenting only limited effects of the local political situation on local privatisation.

Keywords: privatisation, local government, local politics, kindergarten, municipal childcare, public services, welfare, public choice, Norway, panel data.

INTRODUCTION

The privatisation of public welfare services has become an important political issue in many countries. An increasing financial burden of governments, combined with a desire to deliver services more efficiently, has put pressure on the public sector. Since the 1980s, public choice theory has argued that public monopoly of services will lead to overproduction, waste and inefficiency (Niskanen, 1971; Boyne, 1998). Public sector reforms have therefore typically promoted market competition and privatisation, often under the heading of New Public Management (NPM), leading to the contracting out of public services, particularly at the local level (Common, 1994; Lorrain & Stoker, 1997; Köthenbürger et al., 2006). Although the desires for increased efficiency and reduced costs are often reported as the biggest motivational factors for local governments in choosing to privatise public services, the literature offers little on the role of political factors. A review of empirical studies of local privatisation found that the ideological attitudes of policy makers did not influence local service delivery choices in any systematic way (Bel & Fageda, 2007). This may seem somewhat surprising, considering how fundamental the privatisation

issue is for political ideology. One possible explanation may lie in the fact that research has almost exclusively dealt with the USA and that the few studies of European countries have mainly investigated technical services such as water and solid waste. Recently, related studies from Sweden and Denmark have emerged, which indicates that ideology is becoming increasingly important in the choice of service provider, especially for the social services (Elinder & Jordahl, 2013; Petersen et al., 2015). Hence, there is great demand for more studies in the European context that focus on local services other than technical services to cast more light on the politics of privatisation.

This study investigated whether the share of private kindergartens in Norwegian municipalities is a result of the local political situation or rather a result of "pragmatic considerations". Following the kindergarten reform of 2003 and the later Childcare Law of 2005, access to kindergarten was made universal in Norway, with municipalities acting as the local authority for this service (The Childcare Law, 2005). Municipalities were thus made responsible for providing adequate kindergarten coverage. To provide a sufficient number of kindergarten places, the municipalities largely depended on private providers. At present, kindergarten is consequently the social service with the highest feature of private providers: around half of the places are provided by private actors (Haugset, 2019). This was in line with the intentions of the reform: the sector was supposed to be developed by public and private providers in collaboration. However, since this responsibility was given to the municipalities, it was interesting to investigate whether the local political situation played a role in how the sector is shaped today. At the present time, there is limited knowledge about the influence of local politics on this outcome.

The empirical data for this study stemmed from administrative registers, and the scope of the study is all Norwegian municipalities with a population above 2000 in the period 2001–2016. The method applied is panel data analysis, focusing on the variation *between* and *within* the Norwegian municipalities. The political side of the research question is based on ideological and partisan theory, whereas the pragmatic side is based on economic theories such as public choice theory and transaction cost theory. The empirical analysis investigated the relationship between the share of Conservative/Liberal seats in the local council and the share of private kindergartens, controlling for local income, population size, spending and share of population aged 0–6 years and above 72 years.

The chapter is structured as follows. The next section presents the theoretical context of the privatisation of municipal services, distinguishing between economic and political perspectives. Then there is an overview of the previous research on local privatisation building on two reviews by Bel and Fageda

(2007; 2017). The section thereafter elaborates on the data and methods used in this study, with a brief outline of the four different estimation techniques used for time-series cross-section (TSCS) analysis: pooled ordinary least squares regression (OLS), between effects, fixed effects and random effects. The results are then presented and discussed, followed by the final section containing the concluding remarks and some considerations about policy implications and future research.

THE THEORY OF LOCAL PRIVATISATION

The study of local privatisation builds on several theoretical perspectives typically related to two groups of explanatory factors: economic and political (Bel & Fageda, 2007). Starting with the *economic* factors, the well-known argument from public choice theory is that public monopolisation of services will lead to overproduction, waste and inefficiency. This is because public providers lack incentives to provide services as efficiently as private providers operating in a market. The standard remedy of public choice theory is therefore to outsource public services to private providers, which should lead to increased quality and efficiency as well as lower prices through competition. This applies not only to privately provided services; the publicly provided services will also be forced to be more efficient under competition. Accordingly, it is generally expected that municipalities may save money owing to the increased privatisation of local services and that the quality of services will increase as a result (Boyne, 1998). The theory therefore assumes that municipalities in fiscal stress will be more likely to employ private providers to save money.

Public choice theory's positive view on contracting out has naturally attracted several critical concerns, with the most important one being transaction cost theory. Transaction cost theory considers the potential problems that may arise from privatisation and how this in some cases may make services less efficient and lead to increased costs. Whereas public choice theory only sees the advantages of privatisation, transaction cost theory also considers its possible disadvantages; if the costs from privatisation exceed the potential savings, it will not pay off to use private providers (Schoute et al., 2017). Such costs may be administrative costs and costs that arise from incomplete contracts, both resulting from monitoring and control activities (Williamson, 1997). The transaction costs are assumed to be higher in social than in technical services owing to the service measurability: obviously, the quality and outcomes of waste removal can be quite easily measured through logistical indicators related to the number of waste bins emptied, collection costs, timeliness, etc., whereas it is far more challenging to capture the qual-

ity of kindergartens through quantitative measures. The concept of "hidden action" may also enter the picture in the case of kindergartens: some parts of the service are more visible to the parents than others, which may give kindergartens an incentive to improve those parts of the experience more than – or even at the expense of – the parts that the parents cannot as easily see, (and therefore do not demand) if this practice lowers cost. Examples of the former could be the building or the parent greeting, whereas teacher-child interactions throughout the day would be an example of the latter (Morris, 1999).

The influence of *political* factors on local service privatisation is one of the most researched but also most inconclusive issues in this area (Schoute et al., 2017). The classic assumption is that left-wing parties prefer a large state with higher public expenditures and policies that lead to increased equality and economic redistribution, whereas parties of conservative or liberal ideologies favour less public involvement and economic redistribution. The common theoretical expectation is therefore that conservative parties are more in favour of privately provided services than socialist or social democratic parties (Petersen et al., 2015).

So how, then, is political ideology converted into decisions to privatise public services? Following earlier studies, three models are generally differentiated based on why local politicians act as they do: the citizen-candidate model, the Downsian model and the patronage model (Elinder & Jordahl, 2013; Schoute et al., 2017). These models build on the assumption that politicians on the one hand are motivated by the desire to implement a policy reflecting their preferences and on the other hand are motivated by the spoils of political power. Politicians in the first category will act according to their own political preferences, whereas the behaviour of politicians in the second category will be that which maximises their probability of re-election. The citizen-candidate model belongs to the former, presuming that politicians first and foremost run for office out of ideological concerns and that policy choices will therefore reflect the preferences of the ruling parties – that is, that right-wing local councils will make decisions to privatise services (Elinder & Jordahl, 2013).

The last two models – the Downsian model and the patronage model – depart from the assumption that the politicians' primary goal is to stay in power. The former assumes that policy outcomes are decided by the preferences of the median voter in cases of close elections between two parties. As a result, the decision to outsource to private providers will depend on the median voter's preferences and not the politicians' because politicians will implement a policy that attracts the median voter. This model thus predicts that there

are no differences between right-wing and left-wing municipalities when it comes to privatisation (Schoute et al., 2018). The patronage model rests on the assumption that politicians may receive increased support from a large group of public employees by not privatising public services. However, a decision not to privatise may lead to increased taxes, which could be poorly received by other voters. According to the patronage model, politicians will therefore choose lower levels of outsourcing than voters prefer, but in competitive elections this difference will be smaller because politicians must accommodate voter preferences to be re-elected (Elinder & Jordahl, 2013). Obviously, the citizen-candidate model is the one most relevant in our context: it is the only one assuming that the political leaning of the local council influences the decision to privatise.

RESEARCH ON LOCAL PRIVATISATION

The literature on the drivers of privatisation is summed up in two reviews by Bel and Fageda (2007; 2017). One of the most common patterns observed in the first review was that the ideological attitudes of the municipality had no apparent influence on the privatisation decision. Later studies have continued to use the traditional variable based on the percentage of votes cast for left-wing (right-wing) parties and have reported findings consistent with those in the earlier studies (e.g., Bel et al., 2010; Hefetz et al., 2012; Wassenaar et al., 2013; Petersen et al., 2015; Boggio, 2016). As observed by Bel and Fageda in their later review, however, the finding that ideological attitudes have no influence on the contracting out of services has been challenged in more recent research based on data from European countries (e.g., Bhatti et al., 2009; Plantinga et al., 2011; Plata-Diaz et al., 2014; Zafra-Gómez et al., 2014; 2016). Bel and Fageda (2017) also emphasised the usefulness of differentiating between technical services (e.g., waste management and roads) and social services (e.g., care of the elderly, primary schools and other public welfare services). Two recent Swedish studies documented that right-wing strength was positively associated with the outsourcing of preschools and primary schools (Elinder & Jordahl, 2013) and the preferences for privatisation of elderly care (Guo & Wilner, 2017).

The positive influence of fiscal stress on privatisation was generally confirmed in the studies reviewed by Bel and Fageda (2007), which mainly drew on data from US municipalities. In their follow-up review (Bel & Fageda, 2017), they also verified the relationship between fiscal constraints and privatisation in studies from European countries (e.g., Bel & Fageda, 2010; Bel et al., 2010; Plata-Diaz et al., 2014; Zafra-Gómez, 2016; Boggio, 2016; Geys & Sørensen,

2016). However, the fact that a few European studies documented a negative relationship between fiscal stress and contracting out may suggest that privatisation could also be considered as the "politics of good times" (Bhatti et al., 2009; Foged & Aaskoven, 2017; Rodrigues et al., 2012). Regarding economic efficiency, several of the early studies found that the decision to outsource was negatively related to the population size of the municipality, which was considered by Bel and Fageda (2007) as evidence that privatisation was used to exploit scale economies. In contrast, Bel and Fageda (2017) showed that the most common finding in recent studies is the opposite relationship – that is, privatisation is more likely in larger municipalities (e.g., Petersen et al., 2015; Boggio, 2016; Zafra-Gómez et al., 2014; 2016). A possible explanation may be that larger municipalities have higher contracting capabilities and are thereby better able to handle the transaction costs associated with external production. In addition, inter-municipal cooperation is an alternative for many small municipalities, which allows for exploiting scale economics without contracting out (Bel & Fageda, 2017).

DATA AND METHODS

DATA

The data for this study is a panel dataset on Norwegian municipalities for the period 2001–2016 mainly based on the *Local Government Dataset*[2] (Fiva et al., 2017). The dependent variable, percentage share of private kindergartens, is obtained from Statistics Norway (Statistics Norway, 2020), whereas the variable measuring municipal income is derived from the Norwegian Centre for Research Data's Municipality Data Base.[3] The dataset is unbalanced, which implies that it does not include the same number of observations for all municipalities. This is mainly attributable to the municipal amalgamations during the period under study, which saw the number of municipalities reduced from 435 to 428. However, an unbalanced dataset is rather unproblematic, since it still allows for the same statistical operations (Longhi & Nandi, 2015; Mehmetoglu & Jakobsen, 2017).

2 Available at www.jon.fiva.no/data.htm

3 NSD is not in any way responsible for the way the data are used here.

METHODS

The statistical method utilised for this study was panel data analysis. Panel data comprise repeated observations of the same units across time (Skog, 2004). A major shortcoming of the existing literature on privatisation is that almost all studies have employed cross-section data that were subsequent to the time when the privatisation decision was taken, which may cause a potential problem of reverse causality (Bel & Fageda, 2007; 2017). Inferring causal relations from modest cross-sectional correlations is problematic, and the time-wise variations in contracting out should be taken into account to explain the causes of privatisation (Sundell & Lapuente, 2012). With only one measuring point, it is difficult to know for sure when the privatisation actually took place. Another advantage with panel data is the ability to control for unobserved explanatory variables (Petersen, 2004). This may relate to changes between municipalities that do not change over time and that are not reflected in the data, such as cultural or institutional differences that are difficult to measure. Panel data includes measuring points from municipalities over time and thus allows for the control for unobserved heterogeneity (Longhi & Nandi, 2015).

Panel data analysis based on register data is typically referred to as a time-series cross-section (TSCS) analysis (Beck, 2008). We used four different estimation techniques for our analyses: pooled OLS, between effects (BE), fixed effects (FE) and random effects (RE). Pooled OLS implies estimating a regular OLS model on panel data. Although using OLS on a panel data set runs a high risk of not meeting the assumptions about homoscedasticity and no autocorrelation, it is still a common approach to use a pooled OLS model as a starting point to observe the differences between estimation techniques (Longhi & Nandi, 2015). A BE model allows us to analyse differences across municipalities using the average value of each variable in the time period 2001–2016 in every municipality in a simple OLS regression (Mehmetoglu & Jakobsen, 2017). The advantage of this model is that it can include the variables that do not change over time, whereas the disadvantage is the loss of information and nuances from only employing the average values for each municipality in the period. The FE model considers the group structure in the data by including a dummy variable for each municipality and shows how the independent variables affect the share of private kindergartens *within* the municipalities. The benefit of the FE model is that it allows for the control for unobserved variables through the inclusion of dummy variables for municipalities, thus taking unobserved heterogeneity into account. The RE model is a combination of a BE model and an FE model and is estimated using a weighted average of the two models (Petersen, 2004). Given that the RE model

simultaneously estimates the effect of the independent variables both within and between municipalities, the challenge is that we may not be sure of exactly *what* we are measuring (Mehmetoglu & Jakobsen, 2017).

Finally, a potential problem that may arise from TSCS analysis is non-stationary data. This might be a problem because two non-related time series with the same trend can cause false significant relationships, which may again lead to misleading results following from spurious relationships. One possible remedy is to include a lagged version of the dependent variable as an independent variable. Although this may cause bias in both FE and RE models, the problem decreases with increase in the number of years included in the models (Mehmetoglu & Jakobsen, 2017). Given that our analysis is based on data across 16 years, we have elected not to include a lagged dependent variable. Furthermore, the independent variables should always be lagged when the theory assumes that it will take time before they may affect the dependent variable. This certainly applies to our case because it is reasonable to assume that the kindergarten situation is a result of previous events. The regression equation can thus be written as follows.

$$Y_{it} = \beta_0 + \beta X_{i,t-1} + \varepsilon_{it}$$

VARIABLES

The descriptive statistics for the variables included in the analysis are presented in table 14.1. The dependent variable is *the share of private kindergartens* in the municipalities. Unfortunately, the present statistics on private kindergartens do not distinguish between commercial and non-commercial kindergartens. Whereas the goal of commercial kindergartens is to make profit, the non-commercial actors have no such objective, and a potential surplus is mainly used to develop the services into the best possible for the users (Jensen, 2018). The political controversy has first and foremost involved the kindergartens run on a commercial basis, and it would therefore be preferable to be able to make this distinction in our analysis. Nevertheless, the commercial kindergartens make up an increasingly larger share of private kindergartens (Lunder, 2019). Statistics Norway reports the total number of municipal and private kindergartens in every municipality each year, and we used this information to calculate a variable reflecting the percentage share of private kindergartens in all municipalities.

TABLE 14.1: Descriptive statistics.

	N	Min	Max	Mean	Std. deviation
Share of private kindergarten	5266	0	100	38.83	27.08
Political situation	5266	0	86.95	42.75	17.08
Fiscal restriction	5266	26.74	152.60	62.03	19.35
Municipality size	5266	2000	658390	13967.43	37676.16
log_Municipality size	5266	7.60	13.39	8.88	0.94
Percentage kindergarten age	5266	3.84	11.01	7.11	1.21
Percentage primary school age	5266	6.39	19.27	12.55	2.10
Percentage pension age	5266	6.88	27.25	15.90	3.23

Another problem with our dependent variable is that it contains a large number of cases with the value of zero. These are mainly municipalities that have not had private kindergartens at all; there were in total 144 such municipalities during the study period. A reasonable explanation is that this is mainly attributable to municipality size: many small municipalities are simply not large enough to provide a functioning market or sufficient interest to enable the establishment of private kindergartens. In our view, it is far more interesting to investigate how the political situation has affected the share of private kindergartens in the municipalities that actually had a basis of establishing private kindergartens. Consequently, we excluded the municipalities with a population size below 2000 inhabitants from further analyses (these municipalities had 93.6% public kindergartens in 2017). A total of 89 municipalities were excluded through this procedure, thus leaving 339 municipalities eligible for further analyses.

The main independent variable is the *political situation* of the municipality. This information is usually captured through the percentage of left-wing (or right-wing) votes in municipal elections, with the general assumption being a positive relationship between privatisation and the percentage of right-wing votes (Bel & Fageda, 2007; 2017). An alternative approach is to measure the political situation in the municipality through the mandate or seat distribution between the parties in the local councils. The actual distribution of positions between the parties may better reflect the relative power of the local parties and is a measure also used in other studies of privatisation (e.g., Petersen et al., 2015). The variable employed here reflects the share of seats held by the right-wing bloc in Norwegian politics, which has traditionally consisted of the Conservative Party, the Progressive Party, the Liberal Party, the Chris-

tian Democratic Party and local right-oriented lists. In addition, we tested an alternative measure reflecting only the share of seats held by the Conservative Party and the Progressive Party, as these are the two parties most positive towards outsourcing.

The following control variables were also included in the model: fiscal restriction, municipality size and age composition. The *fiscal restriction* of the municipality was measured by the operational revenues per inhabitant, which are generated from local taxes, central transfers and user fees. *Municipality size* is reflected by the number of inhabitants. Because this variable is strongly skewed, ranging from 200 inhabitants in the smallest municipality to 658,390 in the largest, the variable is log transformed. Finally, three demographic variables capture the relevant age groups of the municipality: *percentage kindergarten age* reflects the share of inhabitants aged 0–5 years, *percentage primary school age* reflects the share of inhabitants aged 6–15 years, and *percentage pension age* reflects the share of inhabitants aged 66 years or above.

RESULTS

Table 14.2 presents the result from the BE models and shows how the independent variables affect the share of private kindergartens across municipalities. The variables express each municipality's average value in the period 2001–2016, and the models thus represent cross-section analyses with only one observation per municipality. These models therefore lack many of the nuances found in the other models presented below. Because the BE models do not have to account for the time aspect in the data, neither year dummies nor lagged variables were included. As can be observed, the estimated coefficient of 0.56 for right-wing share of seats is insignificant, suggesting that there is no difference in the use of private kindergartens between municipalities run by the right-wing parties and other municipalities. This result did not change when estimating the model with a political variable reflecting the share of council seats of only the Conservative Party and Progressive Party instead of all the right-wing parties (results not reported here).

TABLE 14.2: Results from between effects model. Robust standard errors in parentheses

	Model 1
VARIABLES	**Between effects**
Political situation	0.0551
	(0.0766)
Fiscal restriction	−0.851***
	(0.120)
log_Municipality size	8.810***
	(1.554)
Percentage kindergarten age	0.159
	(2.407)
Percentage primary school age	−0.543
	(1.540)
Percentage pension age	−0.999
	(0.699)
Constant	32.76
	(36.76)
R^2	0.498
Observations (N)	5,266
Number of municipalities (n)	339

*** $p < .01$, ** $p < .05$, * $p < .1$

Regarding the control variables, high-income municipalities had a lower share of private kindergartens than low-income municipalities: an increase in income of 1000 NOK per person led to a reduction of 0.851 in the percentage share of private kindergartens. The opposite relationship is reported for municipality size: a 1 percentage increase in population size was associated with a 0.09 percentage increase in the share of private kindergartens. The age group variables showed no significant relationships with the share of private kindergartens. The reported R^2 is 0.498, which means our model explains about 50% of the change in the share of private kindergartens when analysing average values for the entire period of 2001–2016.

In Table 14.3, we present the results from the pooled OLS, FE and RE models. All independent variables were lagged with one year, and dummies for years were included (estimates for year dummies are not shown in the table).

The models were estimated using Huber–White robust standard errors with clustering function to obtain more accurate standard errors in the presence of heteroscedasticity. Although this correction will not affect the coefficients, the p-values will necessarily be influenced by the standard errors (Mehmetoglu & Jacobsen, 2017).

TABLE 14.3: Results from pooled OLS, fixed effects and random effects models. Robust standard errors in parentheses

	Model 2	**Model 3**	**Model 4**
VARIABLES	**Pooled OLS**	**Fixed effects**	**Random effects**
Political situation (t – 1)	0.0720	0.0761	0.0952**
	(0.0630)	(0.0474)	(0.0450)
Fiscal restriction (t – 1)	–0.819***	–0.149*	–0.0914
	(0.100)	(0.0821)	(0.0630)
log_Municipality size (t – 1)	9.527***	–16.14*	11.87***
	(1.286)	(9.482)	(1.453)
Percentage kindergarten age (t – 1)	–0.603	0.567	–0.0636
	(1.364)	(0.655)	(0.626)
Percentage primary school age (t – 1)	0.624	0.388	0.598
	(0.888)	(0.527)	(0.501)
Percentage pension age (t – 1)	–0.941*	–0.0905	–0.324
	(0.522)	(0.451)	(0.388)
Constant	–8.573	173.6**	–72.13***
	(28.10)	(86.37)	(20.47)
R^2	0.459	0.031	0.396
Rho		0.956	0.854
Observations (N)	4,912	4,912	4,912
Number of municipalities (n)		339	339

*** $p < .01$, ** $p < .05$, * $p < .1$

In the pooled OLS model, the share of right-wing representatives does not have any significant effect on the share of private kindergartens in the municipalities, even if the estimate indicates the expected direction with a positive coefficient of 0.0720. The same is also the case for the FE model: the coefficient for right-wing seats is positive but not significant. Regarding the RE model, it is considered more consistent than the FE model, but the statistical demands to employ it are stricter (Petersen, 2004). A common way to assess whether an RE model is the best option is the Hausman test. In our case, the Hausman test returned a significant result, which means that the RE model did not pass the test and that we should consequently use the FE model. The results from the RE model should therefore be interpreted with caution, but we still chose to present them because they are of interest. The RE model returned a positive and significant estimate of 0.0952 for the right-wing variable, which indicates that an increasing share of seats for these parties leads to a higher share of private kindergartens.

For the control variables, municipal income is negatively associated with the share of private kindergartens but is only significant in the pooled OLS model ($\beta = -0.819$, $p < .01$). Population size is positively related to the share of private kindergartens in the pooled OLS model ($\beta = 9.527$, $p < .01$) and RE model ($\beta = 11.87$, $p < .01$) but not in the FE model. However, the variables reflecting age composition did not affect the share of private kindergartens in any of the models.

In an attempt to improve the models, we also tried estimating them with two-year lagged independent variables. These results are presented in Table 14.4. As can be seen, this only marginally changed the estimates for the pooled OLS and RE models. For the FE model, however, the estimate for the right-wing bloc increased from 0.0761 to 0.0933 and became significant at a 5% level. According to this model, an increase of 1 percentage in right-wing mandates within a municipality thus led to an increase of 0.0933 in the share of private kindergartens.

TABLE 14.4: Results from pooled OLS, fixed effects and random effects models with two-year lagged independent variables. Robust standard errors in parentheses

	Model 4	Model 6	Model 7
VARIABLES	**Pooled OLS**	**Fixed effects**	**Random effects**
Political situation (t – 2)	0.0750	0.0933**	0.111**
	(0.0637)	(0.0464)	(0.0438)
Fiscal restriction (t – 2)	–0.855***	–0.152*	–0.0906
	(0.104)	(0.0776)	(0.0621)
log_Municipality size (t – 2)	9.531***	–19.31**	12.00***
	(1.291)	(9.398)	(1.399)
Percentage kindergarten age (t – 2)	–0.512	0.568	–0.158
	(1.387)	(0.647)	(0.617)
Percentage primary school age (t – 2)	0.593	0.467	0.676
	(0.905)	(0.533)	(0.506)
Percentage pension age (t – 2)	–0.892*	0.0620	–0.244
	(0.535)	(0.442)	(0.387)
Constant	–7.491	198.3**	–74.71***
	(28.53)	(85.51)	(20.02)
Year dummies	Yes	Yes	Yes
R^2	0.459	0.026	0.393
Rho		0.964	0.863
Observations (N)	4,580	4,580	4,580
Number of municipalities (n)		339	339

*** $p < .01$, ** $p < .05$, * $p < .1$

Finally, we estimated a model using only data from the final year of each of the four-year election periods (2003, 2007, 2011 and 2015) based on an assumption that this will allow the maximum of time for the local council to implement its preferred policies. These results are presented in Table 14.5. The drawback of such an analysis is that we are left with only four observations per municipality. Hence, no variables were lagged in this model, as it is not recommended to lag variables in cases of few observations per unit (Beck, 2001).

TABLE 14.5: Results from pooled OLS, between effects, fixed effects and random effects models based on data only from the final year of each of the four-year election periods (2003, 2007, 2011 and 2015). Robust standard errors in parentheses

	Model 8	Model 9	Model 9	Model 10
VARIABLES	**Pooled OLS**	**Between effects**	**Fixed effects**	**Random effects**
Political situation	0.0671	0.0542	0.0943**	0.119***
	(0.0634)	(0.0749)	(0.0412)	(0.0454)
Fiscal restriction	−0.791***	−0.845***	−0.179**	−0.254***
	(0.0976)	(0.117)	(0.0753)	(0.0744)
log_Municipality size	9.688***	9.018***	−17.37**	12.46***
	(1.285)	(1.544)	(7.646)	(1.310)
Percentage kindergarten age	−0.566	0.306	0.715	−0.0440
	(1.379)	(2.267)	(0.660)	(0.749)
Percentage primary school age	1.081	−0.188	0.795	1.139**
	(0.888)	(1.439)	(0.503)	(0.520)
Percentage pension age	−0.720	−0.843	0.244	−0.404
	(0.558)	(0.703)	(0.428)	(0.394)
Year dummies				
2007	12.07***		5.542***	6.088***
	(1.406)		(1.205)	(1.099)
2011	25.06***		9.113***	10.42***
	(2.818)		(2.485)	(2.314)
2015	37.83***		13.49***	16.54***
	(4.782)		(4.089)	(3.532)
Constant	−17.31	23.51	174.4**	−76.98***
	(28.49)	(36.95)	(70.38)	(21.32)
R^2	0.457	0.500	0.039	0.424
Rho			0.948	0.816
Observations (N)	1,317	1,317	1,317	1,317
Number of municipalities (n)		339	339	339

*** $p < .01$, ** $p < .05$, * $p < .1$

DISCUSSION

The study of the relevance of parties is a basic and classic theme in political science. The traditional approach of this research field is represented by the so-called output studies: a term that refers to the numerous studies that investigate the impact of parties on different forms of policy outputs (Dye, 1966; Fried, 1975; Newton & Sharpe, 1977; Sharpe, 1981; Boyne, 1988; Castles & McKinlay, 1997). However, the fact that the effects of parties in general are found to be relatively weak contradicts the assumption in traditional political theory that politics is the major determinant of public decisions. The large body of literature on the role of parties in local government seems to agree that the overall conclusion is rather pessimistic on behalf of political factors: socio-economic variables seem far more important than political variables in shaping policies (for overviews, see e.g., Fried, 1975; Newton & Sharpe, 1977; Sharpe, 1981; Boyne, 1988; Sørensen, 1989; Martinussen & Pettersen, 2001). At the sub-national level, strong central regulations and little financial autonomy often make political factors irrelevant for expenditure decisions.

This aspect is especially relevant in the Norwegian local setting. Norwegian local governments have traditionally been organised according to an Aldermen model that promotes partisan agreement and harmony through the distribution of power and responsibility. This consensus ideal has seen its practical manifestation in the construction of the local government institutions, which encourages broad participation in the decision-making process through a system of proportional representation in the executive committee. The organisation model thus offers no roles for a formal government and an opposition, since the executive represents the entire local council, allowing all parties to influence the decisions. In some municipalities, this has led to some rather "unconventional" coalitions across the traditional political blocs. Hence, the politics of Norwegian local government is commonly assumed to take place in a rather depoliticised and non-partisan environment, with the local councils little dominated by traditional party-political concerns (e.g., Sørensen, 1989; Bukve, 1992; 1996; Hagen & Sørensen, 1997). This understanding received substantial empirical support in the early findings that parties are of little or no relevance at the Norwegian local level of government (e.g., Olsen, 1970; Hansen & Nokken, 1976; Hansen & Kjellberg, 1976; Kuhnle, 1981; Pedersen, 1987; Sørensen, 1989; Fevolden et al., 1992). However, other studies have found significant local party differences in spending preferences (Jacobsen, 2006) and attitudes towards NPM reforms (Jacobsen, 2005), and more recent empirical studies have documented the relevance of parties at the local level in terms of both policy output and fiscal strategies (e.g., Kalseth & Rattsø, 1998; Borge, 2000; Fimreite & Kolsrud, 2001; Martinussen & Pettersen, 2001; Martinussen, 2002; 2004).

Right-wing parties are generally expected to be more willing to privatise public services. Nevertheless, research on ideology and local privatisation is inconclusive and has found little effect of ideological attitudes of policy makers on local service delivery choices (Bel & Fageda, 2007). This study adds to this picture, since we found only weak effects of the local political situation on the share of private kindergartens in Norwegian municipalities. The sign of the estimate for the political variable indicates the expected relationship – that the share of right-wing seats in the local council is associated with a higher share of private kindergartens – but the estimate was only significant in the two-year-lagged models and the models based on data from the final year of the election period. We also tested an additional version of the political variable that reflected only the share of seats of the Conservative Party and Progressive Party because, theoretically, these are the two parties most in favour of privatising public services. However, using this variable did not change the results (estimates from these models are therefore not presented).

The main analysis showed that on average, over the entire study period, municipalities with higher incomes and larger populations had lower shares of private kindergartens. The results also documented that both increased income and increased population within municipalities apparently led to reduced shares of private kindergartens. However, the FE models had low explanatory power compared with the other models, which indicates that changes within the municipalities explain less of the variation in the share of private kindergartens than changes across time do. This may also be an indication that all variables – and not only the political variables – slowly change within the municipalities. FE models are most suitable when there is substantial variation over time in the included variables (Ringdal, 2018). The analysis also suggests that there is no relationship between the demand for kindergartens, measured as age groups, and the share of private kindergartens in the municipalities.

Our study departed from the theoretical framework of the citizen-candidate model. This model assumes that politicians make choices and decisions to realise their preferred policy. According to this model, the political majority will thus implement policies based on their ideological preferences. The empirical results reported here failed to uncover any systematic relationships; this can be interpreted in three possible ways in light of the citizen-candidate model: 1) local politicians have no ideological preferences with regard to private kindergartens, 2) local politicians do not act based on ideological preferences but rather on what increases the probability of re-election, or 3) the empirical models fail to unambiguously capture how party politics affects the share of private kindergartens because the impact of politics and ideology varies from municipality to municipality. The first explanation appears less plausible given

that the attitudes of Norwegian local politicians towards NPM reforms are documented to follow the classic left-right dimension in politics (Jacobsen, 2005). A more likely explanation is instead related to the weakness of the dependent variable employed in the analyses. As noted, the variable only distinguished between private and municipal ownership, whereas the political debate has mainly focused on commercial kindergartens and the possibility of making profits from kindergartens. This may explain why we are unable to find a systematic relationship between political situation and the share of private kindergartens. Clearly, a dependent variable that distinguishes between commercial and non-commercial kindergarten owners would have been more preferable.

The other explanation takes into account the power struggles and re-election ambitions associated with the Downsian and patronage models. To quantitatively test for such effects is rather challenging, and the Downsian model is most suitable in explaining political outcomes in two-party systems. However, one possible way to model this could have been to follow the approach of Sundell and Lapuente (2012), who included a control variable to reflect the competitiveness of elections – that is, local elections where few votes separate the two largest parties and the campaign to win votes is consequently fiercer. This would demand more detailed data on election results, local coalitions and the number of candidates needed to gain a majority in each municipality. Furthermore, the patronage model could have been tested including a variable measuring the share of municipal employees. However, such a variable could lead to endogeneity problems: municipalities with many public kindergartens typically have more employees than municipalities with few public kindergartens because those employed in a public kindergarten are recognised as municipal employees. A fair assumption is that the chain of causality works in the opposite direction: the share of private kindergartens affects the number of municipal employees and not vice versa.

The fact that we did not find significant effects when investigating all municipalities with more than 2000 inhabitants does not necessarily mean that the political situation is without relevance for the share of private kindergartens in individual municipalities. This is the third possible explanation of the results from the analysis. It is reasonable that the effects of the local political situation may vary from municipality to municipality: in some municipalities party politics may have played an important role for the private kindergarten decisions, whereas in other municipalities it could have had less impact on the outcome. Another potential problem is the assumption that a certain political situation will automatically have the same effect in all municipalities. It could be argued that the same party may act quite differently across municipalities (Sørensen, 1995). For instance, a politician from the Labour Party in a large

urban municipality does not necessarily have the same preference for private kindergartens as a Labour Party politician in a small rural municipality. Indeed, in a meta-regression analysis of studies on local privatisation, Bel and Fageda (2009) found that the effect of ideology was stronger in large municipalities than in small municipalities. Similarly, a study of Norwegian municipalities showed that the partisan cooperation was more formalised, binding, and in line with the traditional ideological patterns in large municipalities (Martinussen, 2002). Therefore, this was also tested by estimating supplementary models that included interaction terms for political situation and municipality size (results not reported here). However, the findings from these analyses suggest that there is no interaction between political situation and municipality size in the case of private kindergartens.

A final possible explanation for the weak effects of politics may have to do with the modelling of the local political situation. As discussed by Martinussen and Pettersen (2001), most studies estimating the impact of politics have used various indicators of the numerical strength of parties or ideological blocs as their main political variable, assuming that strength is transformed into governing coalitions. However, these indicators give at best only an indirect measure of the political preferences driving local decisions. Although the assumption is that socialist (or non-socialist) majorities will automatically transform into political leaderships of socialist (or non-socialist) kinds, this is often not the case in Norwegian local government. Having information on the *genuine* political office holders (as opposed to *assumed* political office holders) could possibly have led to the results reflecting a stronger role of parties.

CONCLUSION

The existing literature on local privatisation suggests that pragmatic considerations seem to be more important than ideological considerations for the choice of service delivery at the local level of government. This study is the first to investigate this matter for kindergarten services in Norway, and the findings seem to corroborate the above suggestion: the pragmatic considerations outperform the political and ideological consideration both across and within municipalities. For the reform makers on the national level, this depoliticised outcome might be considered a success, given that the intention was for the sector to be developed by public and private providers in collaboration, and therefore not be the subject of a political game. This may paint a rather bleak picture of local party politics in the case of privatising social services such as kindergartens. Future research should therefore continue to pursue the role of parties at the local level and test new and refined indicators of party impacts.

The study of local party politics appears even more imperative when considering that the developing understanding of local government mainly tends to take place within an economic perspective that emphasises the productivity and cost efficiency of public services – as manifested for instance in the NPM doctrine. Clearly, such a prevalent economic conception of local government neglects the broader conception of local government as a political unit. The challenge that thereby faces local government and political science was well formulated by Castles and McKinlay (1997): "If politics was not a question of choice, if the votes of voters and the actions of politicians were irrelevant to policy outcomes, what price for democracy and what rationale for a discipline condemned merely to describe a process declared in advance to be a mere charade?" (p. 102).

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CHAPTER 15

Contained regionalism: Towards a Nordic model

Jon P. Knudsen

ABSTRACT

Geography matters to politics regarding the formation of political institutions. One of the founding fathers of Nordic political science, Stein Rokkan, insisted on labelling geography as a main constituent of any political system. In the Nordic scene, geography has come to be identified with issues like nation-building, electoral behaviour, welfare distribution, demographic sparsity and regional policies. From an institutional perspective, the Nordic type of demographic sparsity has even been accorded a specific objective (Objective 6) for regional policy funding within the EU. The geographical steering system is hinged on a strong state and strong municipalities, leaving little relative space for the kind of (quasi) federal regionalism so often found in other corners of Europe, with a possible exception of the Sami population in the northernmost part of the Fenno-Scandic peninsula. Still, regions aspiring to become nation states are found – Greenland, The Åland Islands and the Faroe Islands. While the geographical centre–periphery dimensions are variously articulated within each of the Nordic countries, the political system is considered legitimate to cope with these dimensions for all of them. Attempts at far-reaching reforms to strengthen the regional level within the political steering systems at the expense of the state or the municipalities have thus not been very successful. This phenomenon, it is suggested, should be labelled contained regionalism.

Keywords: contained regionalism, Nordic models, nation-building, geography, regional steering systems, Europe of regions.

INTRODUCTION

Geography matters to politics regarding the formation of political institutions. One of the founding fathers of Nordic political science, Stein Rokkan, insisted on labelling geography as a main constituent of any political system. The dedication on the colophon of one of his classical books, edited by S.M. Lipset (Lipset & Rokkan, 1967), *Party Systems and Voter Alignments: Cross-national Perspectives*, states that this position was derived from more than academic insight for both: "To our fathers, defenders of the periphery". In the Nordic scene, geography has come to be identified with issues like nation-building, electoral cleavage, welfare distribution, demographic sparsity and regional policies.

The term *regional* is being used in many ways according to discipline, subject and scale, and then dealing with patterns, phenomena and processes taking place at a level subordinated to something else. In international business stud-

ies, entire continents may be labelled regional, while the most common usage elsewhere is to refer to subnational, but supralocal, levels of analysis. However, the notion of subnational should not lead us to think of *regional* as something qualitatively less important. Rokkan's insistence on offering regional processes a cornerstone in his theories of European nation-building (Flora, 1999; Rokkan & Urwin, 1983) should be illustrative. Hence, his legacy has been developed and revitalised by following generations of academics and policy advisors (Diani, 2000; Stein 2019; Todd, 1990) who have come to terms with understanding the many facets of European regionalism and, more specifically, the concept of a "Europe of regions" (Anderson, 2018; Magone, 2003). Historically, Europe has oscillated between supranationalism and localism to find its institutional equilibria. This chapter looks at the ways in which the processes of institutionalisation of the term regional has fared in the Nordic countries with special attention to the Norwegian case. I will particularly place emphasis on coming to terms with why a need that Rokkan (1967) points out as so crucial to nation-building processes has come to be institutionalised with so little emphasis on establishing a strong second tier in the countries in question.

In the next sections, the historical background is presented for the theme of the chapter, which then moves on to explain the relevant discussions over the status of the regional level before progressing to the present situation, which offers a picture of the regional level as being the least developed in the Nordic political systems. This leads to the conclusion: the paradox of contained regionalism. While the regional political agendas remain strong, their expressions have been voiced and absorbed through the national political steering system, weakening the need for a strongly institutionalized regional level.

THE NORDIC BACK-DROP

Technically, Paasi & Zimmerbauer (2011, p.166) define the institutionalization of regions as the "condensation of path-dependent political and regional economic geographies as part of a wider spatial and social division of labour and power relations". Rokkan & Urwin (1983, p.141) offer a model in which these processes are understood as a ladder with stages leading from mere identity building to full separation, often accompanied by a concomitant escalation of conflict and violence (Stein, 2019, p.8). If regional interests and tensions form such an important backdrop to Nordic nation-building, one should logically expect them to be saliently institutionalized. However, the opposite seems to be the case.

The Nordic political steering model is normally described as a three-tier model, meaning that it has three democratically elected political levels, the state,

the region (*amt, fylke, landsting, region*) and the municipality (*kommun(e)*). More specifically, this model holds true for Denmark, Norway and Sweden. Iceland, with its smaller population, has a two-tier system consisting of state and municipalities, while Finland could be said to have a two-and-a-half-tier system with indirectly elected regional assemblies. In the case of the three-tier states, we should note that the pivotal axis of the system runs between the state and the municipalities. These were the first to be established as democratically elected, and these are the levels endowed with the strongest competencies (Christensen, 2003). Accordingly, the geographic steering chain is illustrated as an hourglass with the regional level making up the narrower part (Hörnström, 2013). This hourglass form has theoretically been argued as the outcome of the unitary state controlling the regional voice. Regional institutions are missing, and the periphery is, so to speak, integrated in the infrastructure of the unitary state, in the Norwegian case specifically by the way in which the electoral systems serve to favour the various geographic peripheries (Aarebrot, 1982; Rommetvedt, 1992).

THE STRONG STATE

The strong state is normally taken as a given in the analyses of the Nordic steering models. Dosenrode and Halkier (2004, pp. 201–202), when editing an anthology on Nordic regions faced with EU policy initiatives and challenges, conclude that the "all-important frame of reference remains the nation-state", and that the field left for regionalism is reserved for pragmatic and economically-driven purposes only. Blom-Hansen et al. (2012) and Christensen (2003) come to the same conclusion; the state has the upper hand. The geographical steering system is hinged on a strong state and strong municipalities, leaving little relative space to various kinds of (quasi) federal regionalism. But this picture has nuances. The institutionalization of Sami interests in the northernmost part of the Fenno-Scandic peninsula is one such example (Henriksen, 2009). Regions aspiring to become nation states are further examples: Greenland, the Åland Islands and the Faroe Islands (Adler-Nissen, 2014; Grydehøj, 2016; Hepburn, 2014). Furthermore, the degree to which the state has the upper hand may vary among the countries in question. While historically the geographical centre-periphery dimensions have been differently articulated within each of the Nordic countries (Hansen, 1972; Mønnesland 1995), the political systems have also been considered legitimate to cope with these dimensions. Attempts at far-reaching reforms strengthening the regional level within the political steering systems at the expense of the state or the municipalities have thus not been very successful. In this respect, historical analyses of which factors

conditioned Norway to adopt a more regionally attentive, though state-centred, governing style than Sweden (Hansen, 1972; Strand, 1976), together with later cross-Nordic analyses coming to similar conclusions (Foss et al., 2010; Lind, 2013), are relevant to understand internal and cross-Nordic debates on how to deal with contemporary regional challenges (Knudsen, 2020).

The origins of the strong Nordic state emanate from the medieval and later state-building processes (Knudsen & Rothstein, 1994). One of the foremost traits in these processes was the need for prospective heads of state to control and preferably outmanoeuvre regionally based competitors or protesters. In historical times, the regional level was dealt with as a state affair echoing complicated nation-building processes coming to terms with landed aristocracies, the Catholic church (until the mid-16th century) and other alternative sources of national political power. In summary, early Nordic state-building processes served to contain regional power bases and to tame their political ambitions (Berg & Oscarsson, 2013; Kaspersen, 2004). The end of the Napoleonic wars marked the transition to the subsequent political evolvement of the 19th and 20th centuries, resulting in the processes of modern nation-building and municipal formation. This therefore offered the present picture of a bifurcated system – the modern state and its concomitant local partner, the empowered municipality (Haveri, 2015). In this system, the regional level is split into two, a state apparatus based on the traditional system of regional governors and an indirectly elected cooperative arrangement put in place to help municipalities take care of tasks that surpassed the competence or demographic thresholds pertaining to each of them. The U-shaped political steering system was then born. Hence, there is still a line of regional power executed through state-led steering channels paralleling the directly and indirectly elected assemblies in governor-like arrangements. These were eventually replicated when the Nordic welfare states became established from the early 20th century onwards to form what Hörnström (2013) labels *distributive regionalism*, meaning that the municipalities operate as the street-level distributors of (regionally) mediated and controlled national policies.

The subsequent democratization follows the same formula. To take the Norwegian case as an illustration, the first turning point for national enfranchisement came in 1814. In 1837, the embryotic municipality structure received its first important legal sanctioning by Parliament (Tranvik & Selle, 2006), while the first direct election to the county councils was held as late as 1975. These processes took different courses in other Nordic countries, but the general tendency holds for the Nordic realm at large; the regional level is the last to be institutionally shaped. While the municipalities seem to have found their form (although in competence and role more than in numbers), during the last

decades the regional level has been subject to heavy political debates, a continuation of experiments, and repeated reforms. It still has not found its form.

The historical formation of the Nordic states is in line with mainstream nation-building in that the process presupposed, as well as entailed, a tendential strengthening of the functional versus the geographical dimension of institutional development; to Rokkan, this is one of the key dynamics in understanding past and present tensions in European politics as well as state formation (Flora, 1999; Stubhaug, 2019). The two main state formations until the post-Napoleon era, Denmark and Sweden, were both multi-ethnic and composite. The following period brought about a new agenda, that of the nation-state (Adler-Nissen, 2014; Østergaard, 2012). Historically, the core Scandinavian population of the Fenno-scandic peninsula could easily be swayed to define themselves as Danes, Norwegian or Swedes, as exemplified by the shifting borders between these three countries. This process was, it should be admitted, somewhat more militant when Sweden took over Scania and its adjacent regions from Denmark in the mid-17th century. Military rule was implemented to handle Danish resistance for the rest of the century. This ethnic plasticity is still marked by the existence of an inter-Scandinavian linguistic community, put to its extreme in the curious case of the small archipelago of Åland inventing itself as a Swedish-speaking nation in home rule with Finland (Joenniemi, 2014). Regional autonomy may lead even further in this case, much the same as the remaining Danish (but ethnically more distant) territories of The Faroe Islands and Greenland seek to follow the Icelandic secession in 1944 to become independent (Adler-Nissen, 2014). While these processes match the top of the Rokkanian ladder model of institutional development, they all run peacefully and are handled within institutional frameworks of dialogue. There are few signs of the kind of violent separatism found in other European contexts of regions with nation-state aspirations (Anderson, 2018). Thus, even when reaching the top of the institutional ladder running from identity-building to separatism, the Nordic processes seem to be contained within a system of deliberation rather than of aggression.

Back to the mainland, there are important historical and present cases contesting the uniformity of the nation-states. These include the Sami national awakening in the northern parts of the Fenno-Scandic peninsula (Henriksen, 2008), the status of the Finnish-speaking minorities in northern Norway and Sweden (Elenius, 2002), the settling of the debate on whether Norway consisted of one or two nations according to language (Hoel, 2011), and the problem of how to understand the Swedish component in Finnish nation-building (McRae, 1997). All these questions have a distinctly geographic aspect, since minorities, either locally or regionally, become majorities according to change in geographic scale and sub-national administrative boundaries. In recent debates on munic-

ipal and regional reforms, these issues have come to the forefront, especially in Finland and Norway, greatly hinged on whether a locally dominant language will survive as official or not with actual or projected municipal or county mergers (Strandberg & Lindell, 2020). However, these matters do not in general question the legitimacy of the political system at large. The only political group of some importance raising it to this level is the Finnish (True) Finns Party which (by establishing a discourse of true and non-true Finns implicitly, and sometimes explicitly,) questions the historical multi-ethnic basis of the state (Wahlbeck, 2016). Concerning the substantial immigration that has taken place in the Nordic countries from the 1950s onwards, the debate about the geographical distribution of this influx has only recently entered the agenda of regional political cleavages (Hooghe & Marks, 2017), which is notable since the actual geographical distribution of immigration shows strong intranational geographic variations (Karlsdóttir et al., 2018).

CONTEMPORARY ARGUMENTS FOR HAVING REGIONS

The rationales behind having a regional level are generally presented as follows. 1) *Services*: these are needed for the procurement of higher-order infrastructure and welfare services (Magnussen et al., 2007). 2) *Development*: regional development usually relies on regional actors, agencies and institutions to satisfy the national demand for fully exploiting regionally located comparative, competitive and collaborative advantages and potentials (Asheim et al., 2019; Johnsen & Ennals, 2012). In the Nordic case, this implies the need to cater for its demographic sparsity, and this has been accorded a specific objective (Objective 6) for regional policy funding within the European Union (EU) (Gløersen, 2013; Méndez et al. 2006). 3) *Culture*: many states play on regional sources for their identity and feel the need to have or take pride in having regional institutions to maintain and develop their cultural heritage (Mortensen & Suksi, 2019). 4) *Devolution*: The Nordic countries understand themselves as spearheading democratic reforms. Taking this to the regional level, downplaying regional governors and favouring directly elected decision-makers, falls in line with this meta-ideology (Kettunen & Kungla, 2005; Olsson & Åström, 2003). Nevertheless, regional governance networks continue to be debated as an alternative (Jacobsen, 2014).

Adding to the classical aspects of identity and politics, in recent decades the regional level has been highlighted as crucial to spark economic renewal in a Europe seeking to become a leading hub in the global economy. The whole paradigm of the virtues of regional economic clustering exploded just a few years after Rokkan's demise (Piore & Sabel, 1986; Porter, 1990), creating the

seedbed for later industrial policies aimed at developing regional industrial structures in the Nordic countries as they are elsewhere (Castells & Himanen, 2005; Foray, 2015). The Porterian message of a global economy made up of specialized, innovative, and high-yielding regions has, in the European scene, been transformed into the claim for all EU-regions to adopt Smart Specialization (RIS3) procedures to become eligible for EU-funding (Foray, 2105). Faced with these new challenges, the Nordic countries have reacted differently, mostly taking positions as strong regional innovators in international comparisons (Asheim et al., 2019).

THE WEAK REGIONS

Among politicians and scholars occupied with regional matters, the responses to the idea of strengthening the regional political level have often been favourable. This can, to a large degree, be understood as a reflection of the international fascination for a "Europe of regions" as it came to be formulated towards the end of the 20th century (Harvie, 1994; Micheletti, 2000). Hence, a certain euphoria creating a push for reforms affecting the second tier should be noted in the (four) largest Nordic countries, despite warnings by others about such thinking stemming from a misunderstanding of the concept and of its systemic potentials (Keating, 2008). However, creating or reinforcing a democratically elected second tier has not been the only response to the quest for strengthening regional institutions. We may identify at least three alternatives: *multilevel administrative systems, neoliberal management,* and *distributive regionalism*.

Multilevel administrative systems (MLA) or governance (MLG) represent labels for political orders that tend to handle regional tasks as communicative practices across geographic levels and functional sectors (Trondal & Bauer, 2015). Such arrangements have proliferated at the end of the 20th century as a response to several restructuring tendencies, following economic and concomitant welfare state crises, and as responses to various EU initiatives and policy schemes. This movement marks a change in geographic power relations making these more contextually dependent than before (Baldersheim & Ståhlberg, 2002). MLAs and MLGs may well occur alongside a defined second tier (Normann et al., 2017) but will most saliently be implemented where this is not so, as is the case in Finland (Sotarauta & Beer, 2020). As such, MLA/MLG should be understood as a competing model of regional institutionalisation (Jacobsen, 2014). Recent Swedish experiments with indirectly elected county models, occasionally replacing the traditionally directly elected council, illustrate this argument (Hörnström, 2013; Lidström, 2007).

Neo-liberal political ideas and new public management (NPM) approaches have in the last four decades permeated thinking about administrative systems and what is often labelled output democracy (Christensen & Lægreid, 2011), a theme that addresses the role of regions, specifically as service providers. In Norway, the immediate consequence of this being brought to the forefront was the decision made in 2001 by the social-democratic government to transfer the whole hospital sector from the county councils to a set of publicly-owned companies reporting directly to the state. One of the effects of this was to strip the county councils of their most important task (Hagen & Kaarboe, 2006; Mattei et al., 2013). Later, a publicly owned company (Nye Veier AS) was established to supplement the national road administration for planning, constructing, and maintaining new sections of the road system (Aandahl et al., 2017). When parts of the national road administration were retransferred to the county councils, following the 2020 regional reform, the competitive aspect of the relationship between the public road administration and Nye Veier AS came to the fore. The fascination for NPM-like institutional solutions has spread throughout the Nordic countries, and today is a reservoir to conceive alternatives to classic democratic second-tier models (Hansen et al., 2012).

Distributive regionalism has a long tradition. In Sweden, as late as the end of the 20th century, the normal way of arranging regional partnerships for economic growth and innovation was for the central state to engage the regional governors (*länsstyrelsen*) to enter the scene as their dialogue partner (Hudson, 2005). This Spinoza-like way of operating partnerships – God (the state) entertaining himself – has still not disappeared; it has merely been juxtaposed with competing models (Hörnström, 2013). In Norway, distributive regionalism and straightforward dirigisme has a long tradition within regional policy and welfare provision. Slagstad (1998) cited several cases when discussing the role of national strategists: the famous economist and statesman Erik Brofoss' grip on the Regional Development Agency, the centralized provision of cultural and sport amenities throughout the country all controlled by the Oslo-based bureaucrat, Rolf Hofmo, and the minister of education, Gudmund Hernes', ambition to establish a network of regional higher education institutions (*norgesnettet*) to develop their research under the auspices of the established national universities. Lately, this mode of conduct has been repeated by the minister of culture, Abid Raja (liberal party), who last year made a sudden decision to transfer his sector out of the 2020 regional reform just a few months after its implementation – and got away with it (NRK, 2020).

But central attempts to contain the regional level do not stop here. Political discussions about the legitimacy of the county governors come to the surface every now and then in the Nordic countries as elsewhere in Europe (Tanguy

& Eymeri-Douzans, 2021). Following the Norwegian 2020 regional reform, the name of the county governors was recently changed from *fylkesmann* (county governor) to *statsforvalter*, allegedly for having a gender-neutral title. The new name was, however, received with mixed feelings from the governors themselves as it has a connotation of trivialization, the term *forvalter* meaning something between a manager and a caretaker.

THE PRESENT NORDIC STATUS

Summing up the present Nordic status, the impression is that the second tier has yet not found a definite structure. When it became (semi) independent in 1814, Norway had a county level of administration inherited from its Danish past. These counties – *amt* – were, during the early 19th century, developed along two lines. One followed the governor scheme as the regional presence of the state; the second developed as an indirectly elected association of rural municipalities devoted to higher-level tasks. This system lingered on for more than a century. The system was slightly reformed during the years to cope with structural changes, such as the post-WWII juxtaposition between urban and rural municipalities, but it had to wait until 1976 to have a directly elected county council and hence a fully-fledged three-tier system. This reform has never become fully accepted. The Conservative Party and the Progress Party still want to return to a two or a two-and-a-half tier system. One systemic peculiarity should be noted. While the regional governors are formally superior to the municipalities, the county councils are not. They are in legal terms also municipalities and have as such no right to instruct the local municipal level or to overrule its decisions unless deliberately specified to do so.

The regionally elected democratic level in Norway, when launched in its modern form, soon experienced its problematic location between a strong state and independent municipalities. The widespread political scepticism towards strengthening the regions has become manifested in a reluctance to empower them. This came to the forefront when the 1976 county councils were set to operate as regional planners integrating economic and physical planning across geographical levels. The various state sectors either ignored or participated reluctantly in these planning processes, while the local municipalities often pointed out their monopoly on local, physical planning as means of disobeying. From and Stava (1985) brutally summed up the first years of regional planning as a lecture in the art of rowing without oars. Ever since, repeated attempts to empower the county councils have ended up in some rearrangements task-wise, but with little substantial relocation of power within the three-tier system as such (Blom-Hansen et al., 2012; Kolltveit & Askim, 2017). While some tasks

have been decentralized from the state to the county councils, others have been taken away or framed in such regulatory terms that the policy element has been relocated away from the regional political agenda. The most important example of tasks removed from the regional agenda is the 2001 decision to transfer the entire hospital sector from the county councils into new NPM-like publicly owned companies. The last regional reform from 2020, which reduced the number of county councils from 19 to 11 (while promising a larger portfolio of tasks entrusted to this allegedly more robust county structure) has so far only been evaluated ex ante (Røtnes, 2019). However, to judge from the political debate and the processes anticipating and surrounding its implementation, it seems fair to assess its main contribution so far as pertaining to the revitalisation of the centre-periphery fault lines in Norwegian politics (Stein, 2019; Stein et al., 2020), but presumably this time also within the confines of national coping capacity. To date, the government has not signalled whether it will furnish the restructured counties with a proposed and enlarged portfolio of tasks or not. It should therefore be fair to say that the future competencies, capacities, resources and, hence, the authority of the county councils, reside fully with the state. Few signs have been given that lead us to believe that the central state feels compelled to accord the county councils a more salient place in the institutional set-up.

Moving on to the other Nordic countries, the picture offered is much the same. There has been widespread experimentation with the second tier, and in no case have the regions been given a place in the institutional order that has led to the change of its hourglass shape. In Denmark, which had a balanced three-tier model, the parliament in 2004 decided to merge the existing 13 county councils into five new regions, and to strip the regions of some of the tasks formerly residing with the county councils. Furthermore, these new regions were agreed on in a compromise for accepting a broader municipal reform, which the liberal-conservative government initially wanted to launch as a step towards skipping the regional level altogether (Bundgaard & Vrangbæk, 2007). In this, there is a parallel to the Norwegian 2020 model. Both governments primarily wanted a municipal reform and agreed to have regions to ease the process of a municipal re-arrangement.

In Finland, the two-and-a-half tier model with its indirectly elected regional institutions, has been admired as well as attacked. It has been admired for its ability to serve the post-1992 economic modernization of the country by putting to use what at that time came to be regarded as an almost ideal-typical European take on regional governance (Castells & Himanen, 2002). Yet, at the same time, it was attacked for its byzantine lack of transparency and its democratic deficit (Kettunen & Kungla, 2005). Experiments have been done in the region

of Kainuu with a fully-fledged, directly elected second tier (Sivonen, 2005). Although the evaluations have been mixed (Haveri et al., 2015), plans have been made for this model to be extended to general national practice (CorR, 2019). At the time of writing, these plans seem to have been abandoned since the country lingers on with its traditional model (Sotarauta & Beer, 2020).

In Sweden, there has, as already demonstrated, been a turn away from a traditional dual system of parallel county governors and county councils to a system of three competing models of organising the second tier (Hörnström, 2013). In addition, the directly elected county council comes in two versions, a traditional one, and the two enlarged regions of Scania and Västra Götaland, by some thought to anticipate a future of stronger regions (Blomqvist & Bergman, 2010). The plethora of models at hand could rather be taken as a sign of the opposite, the unitary, strong state with its allied municipalities conducting business as usual above and below what in Sweden is usually referred to as the "regional mess" (McCallion, 2008).

DISCUSSION

In the post-WW2 political history, the institutionalization of the regional level has been differently dealt with from one Nordic country to another, either following the broad parameters of historical variations in economic, political, and social structure or, more narrowly, political and academic cultures, since these offered institutional support and preconditions for adapting the geographical steering systems to the needs of modern welfare states (Knudsen, 2020). The way these processes have fared has increasingly also been influenced by wider European discussions on, and experiences with, regionalism in the tradition of nation-building (Anderson, 2018; Magone, 2003). The vertical integration of regions to higher geographical scales has often been viewed as complicated. Recently, the term *awkward* has been used to characterise such problems of regional integration into higher-order political entities, but then mostly to deal with the problem of integrating (nation) states into the EU (McCallion & Brianson, 2018). However, the term can also be used to characterize the problematic take that the Nordic states have on defining and establishing a solid political regional level within their confines. When the strong state undertakes regionalisation, the process becomes awkward. The historical lesson is one of taming and controlling regional voices, but regions also do have their merits, seen from above. Regional devolution may, for instance, be a means for the state to do away with "wicked problems" (Micheletti, 2000, p. 271).

When processes become awkward, strategic and tactical aspects of a play often become visible. Today, a general scheme of logic is that actors at different

levels seek to bypass each other – the state seeking support among the municipalities, the regions seeking international fora to make their cases legitimate. At present, these dynamics are specifically visible in the way regions and home-rule territories all over Europe have embraced and participated in the various EU discourses and policy schemes pertaining to their interests (Keating, 2008). A positive effect of this has been a general lowering of regional conflicts; another has been to make the relevant states more attentive to regional issues and to the settling of disputes emanating from them (Anderson, 2018). Still, the state seeks to limit or contain the development of regional powers. The outcome of these processes may often be unforeseen. When summing up the (attempted) Norwegian 2010 regional reform and comparing it with the 2004 Danish regional reform, Blom-Hansen et al. (2012) characterise the Danish reform as a success and the Norwegian one a failure, and this for reasons that come close to being unintentional.

However, one overarching rationale should be understood as guiding the states in question, that of containing regional voice. The ability to contain should be understood as the systemic capacity to deal with conflicts. For Rokkan, this analysis derives from Hirschman's classical concepts of *exit, voice,* and *loyalty* (Hirschman, 1970; Stubhaug, 2019, p. 338ff). Systems can be judged legitimate insofar as they are able to handle dissenting voices in such ways as not to cause exits, at least not those accompanied by violence. More specifically, in our case the question about systemic handling should be specified to deal with why phenomena that appear as regional do not need to be represented by a strong regional political tier. Theoretically, the answer to this could either be that regional cleavages are not as important to political articulation these days as they were during earlier phases of nation-building, or, alternatively, that they still are, but are voiced through other channels and duly met by other institutional solutions.

CONCLUSION

Summed up, geography has played and still plays, an important part in the nation-building processes of the Nordic countries. Institutionally, this has been handled without the creation of a strong regional tier as a formalised tier of numerical representation with far-reaching competencies in the national steering chain. Historically, the geographical aspects in the nation-building process seem to have been absorbed by the interplay between the state and the local municipalities. In recent decades, various types of regional governance structures have become important. Whenever issues activating geographic cleavages come to the forefront, dealing with them does not seem to imply

political regionalism in the sense of a solid or strong second tier. This paradox comes close to seeing a common model with national variations, and labelling this model *contained regionalism* is suggested By this, it is understood that strong regional variations or cleavages pertaining to culture, economics, and politics within each of the countries in question have become co-opted into steering systems where the state has been sufficiently attentive to regional interests to respond to these through national policy schemes within relevant sectors, and then to count on strong municipalities to take care of the more fine-grained elements in these processes.

In short, the main reasons why recent attempts at institutionalizing the regional interests within the context of a second administrative tier have not succeeded in the Nordic countries can be summarized into two key aspects: (1) The countries in question have managed to come to terms with these interests through the existing state – municipality axis, as initially suggested by Rokkan and his collaborators. (2) The institutional potential in the concept of a "Europe of regions" has been exaggerated and/or misinterpreted (Keating, 2008). Even in the cases where regions seek to become nation states (the Faroe Islands, Greenland, Åland) or claim to have untapped political powers on ethnic grounds, the states in question seem able to handle these processes peacefully and contained within existing democratic procedures acknowledged as legitimate or appropriate (Olsen & March, 2004). The dealing with regionalism in the Nordic scene may appear deviant or awkward viewed from a broader European perspective, but the systemic ability for containment should hardly be in doubt. As such, the Nordic case(s) may also offer enriching perspectives to the academic debate on regionalism in Europe and elsewhere.

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PART IV

CONTINUITY AND CHANGE IN (LOCAL) GOVERNMENT

CHAPTER 16

Partnerships for change in local governments

Carsten Greve

ABSTRACT

This chapter examines the various ways that local governments enter into partnerships in order to advance an organisational change agenda and to create new public value. Local governments have become more inclined to participate in partnerships in recent years. These partnerships could be with other local governments, with partners from regional or central government, and they can also be with organisations from the private sector (companies, associations and NGOs). The drive towards a local government characterized by partnerships makes new demands on how to manage and govern a local government. Local governments need to give up some of their decision-making power in order to enter into partnership arrangements. The chapter provides empirical illustrations of partnerships from a Danish perspective. Finally, the chapter ends by discussing a number of strategies available to local government managers as they contemplate even more partnerships in the future because of the climate crisis and the corona virus crisis.

Keywords: local government, partnerships, organisational change, public value, Denmark.

INTRODUCTION

Organisations must constantly find ways to adapt to new changes in their environment (Jacobsen, 2018). Partnerships have become a preferred way for many organisations to form if they encounter a challenge that the single organisation cannot solve alone (Bryson et al., 2015; Quélin et.al., 2017). Often these problems are thought of as wicked problems, but within research on public organisations, the term wicked problems have been divided into different sub-categories (Alford & Head 2017). Suffice it to say, that partnerships are now attractive as an organisational form for new projects that has to establish a platform where collaboration can occur. Several reasons for entering into partnerships exist: Pragmatic reasons, economic reasons (cost-benefit analysis, and strategic reasons (Forrer, Key & Boyer 2014: 10–11). Pragmatic reasons are when decision-makers may have a connection to the other organisation and may discover that they would like to work together on a particular project. At economic cost-benefit analysis could be undertaken to find out which organisational form provides the optimal cost-benefit ratio. Williamson (1985) is well-known for arguing that it is minimising transaction costs that will decide in which organisational form a task is handled most efficiently. This presupposes that politicians and other decision-makers make rational decisions based on

clear evidence on which organisational form to choose. A strategic approach would focus on what kind of strategic advantage in the medium or long term there would be for an organisation to enter into a partnership. All this is not always how decisions are made. Organisations often follow an organisational fashion or do what is appropriate (Jacobsen & Thorsvik 2018). Managing public sector organisations is often seen as something special as the public dimension can differ from how managers in the private sector think (Jacobsen 2019). A partnership is in the middle of a purely public organisation and a purely private sector company.

This chapter examines three recent examples of how partnerships – once the partnership form is a reality – are organised (Greve, 2019). The cases are taken from the Danish public sector, so the context is the Danish welfare state system, but as we know now, partnerships are found in many countries around the world and are not exclusive to welfare states. The three cases are Copenhagen Street Lab (a smart city initiative), Realdania's (a Danish foundation) Collective Impact-initiative, and the Danish Wholegrain Partnership (a health partnership focusing on changing citizens' eating habits while also supporting the food industry).

The research question is: *How are partnerships organised in order to create public or shared value?* The chapter will primarily examine the organisational aspects of how to create partnerships that produce some kind of value for their stakeholders and the wider society.

The first section briefly reviews the recent discussions in the partnership literature. The section points out that although there are a number of related concepts (networks, partnerships, collaborative governance, hybrid organisations), they all focus on the same basic criteria of two or more organisations working together over time, sharing risks and resources, to achieve a result that they could not have achieved by themselves. The second section presents three cases of partnerships that will be examined more closely. The third section discusses lessons learned across the three cases. The fourth section ends with a short conclusion about organisational principles for partnerships.

THE ORGANISATIONAL ASPECTS OF PARTNERSHIPS IN THEORY

How are partnerships organised in order to create public value? Within study of public organisations, the focus on partnerships has a long history (Bovaird, 2010). When the dominating trend in public management reform, New Public Management, was challenged it was by another governance paradigm named New Public Governance (Osborne, 2010). Osborne built on earlier work on

network governance, focusing on horizontal governance forms that were at one point known as "governance without government". Network organisation is of course a well-known organisational form, often characterized as being between hierarchy and markets (Thompson et al., 1991). Looking at it from a governance paradigm view (Torfing et al., 2020), hierarchy was represented by the Traditional Public Administration built on principles from Max Weber, whereas market governance was known as New Public Management. The concept of NPM was coined by British scholar Christopher Hood to show the link between markets and management techniques from the private sector for use in the public sector.

Research on networks in the public sector benefitted from work done by the Dutch network school, epitomized by the scholars Erik-Hans Klijn and Joop Koppenjan and their book on Governance Networks in the Public Sector (Klijn & Koppenjan, 2015). American scholars used network governance also but started to employ a broader term known as Collaborative Governance which focused on both the act of collaboration, but also the collaborative governance regime, i.e., the wider rules and norms underpinning collaborative action (Donahue & Zeckhauser, 2011). The focus on organisations that work together closely and become intertwined organisationally has led to a recent interest in hybrid governance and hybridity in organisational forms. Although labelled as a recent interest, the focus on hybridity also has a long pedigree in discussions on public organisations (Quélin et al., 2017).

Partnerships are associated with all of these trends, and networks, collaborative governance, hybrid governance, New Public Governance are sometimes used interchangeably. But partnerships seem to be a bit more specific in terms of their organisational components. In this way, partnerships are often portrayed in concrete organisational ways: these are about how to organise and manage collaboration between organisations that aims to create public value (Moore, 1995).

In the literature, there are many ways to describe partnerships (Brinkerhoff & Brinkerhoff, 2011). Partnerships can be infrastructure partnerships (organisations that build large-scale infrastructure projects and depend often on private finance), service partnerships, development partnerships (often found in projects and the developing countries or in city development projects), innovation partnerships (centred around proposing or implementing a new invention) (Brogaard & Petersen, 2014), and finally policy partnerships (focusing on tackling a challenging policy problem). In this chapter, the focus will be on policy partnerships mainly questioning: how do organisations come together in a partnership organisation to address a serious policy challenge?

This is not to say that the other partnership forms are not important, just that that they have been examined many times elsewhere.

Policy partnerships can be understood as partnerships that aim to promote and implement a specific policy. If we follow the model proposed by Bryson and colleagues (2015), we can summarise the elements as: a) challenges, b) structures, c) management and processes, d) context and power relations, e) public value creation and accountability mechanisms, and feedback loops. The Bryson et.al-model was arrived at after Bryson et.al. reviewed several major partnership theoretical frameworks. The first part of the model examines "General antecedent conditions". These include the institutional environment the partnership is in, and the reasons why a partnership was formed in the first place (see the introduction for references). The second part of the model focuses on "Initial conditions, drivers and linking mechanisms". This includes any foundational document (like a partnership agreement) that establishes the conditions for working together. The fourth part concerns "the collaborative processes", which has to do with trust and a shared understanding of the problem. The fourth part concerns "the collaborative structures". These structures include the formal rules and the informal norms that guide action in the partnership. The fifth part is about leadership roles, but also the governance arrangements that the partnership set up, which may include a board of governance, and the technology used. The sixth element concerns power and the questions of conflicts and tensions with which partnerships have to deal. The seventh element is preoccupied with public value creation and accountability. All of these elements are important in order to understand how partnerships work. Another lesson from the literature is that the partnership form does not always guarantee success. In fact, far from it. Partnerships are filled with expectations and demands that cannot always be met. Partnerships are at risk of failure just as much as success, which Bryson et.al hastened to point out. Organising a partnership is therefore risky business in the sense that the anticipated results may be further away than you think.

The Bryson model stands as one of the most widely used models in the literature on partnerships and collaborative governance. Klijn and Koppenjan's (2015) network model also attracts attention, but the Bryson model seems to be the one that incorporates most of the key insights from the partnership literature.

THREE CASES OF PARTNERSHIP ORGANISATIONS

This section introduces three different cases of empirical partnerships in Denmark: Copenhagen Street Lab, Realdania's Collective Impact and the Danish Wholegrain Partnership (see also descriptions in Danish in Greve 2019).

COPENHAGEN STREET LAB

The first case concerns Copenhagen Street Lab. This was a smart city initiative launched by the City of Copenhagen (municipality) in order to get ahead in the smart city development sweeping the world. Copenhagen municipality established an organisation called Copenhagen Solutions Lab. This was supposed to be laboratory that experimented with various types of smart city solutions. One of the projects was called Copenhagen Street Lab. The project focused on introducing sensors and other technological solutions into the maintenance and development of the streets in the city of Copenhagen. One initiative was making a competitive tender for changing the street lights in the entire city. The bid was won by a French company, Citelum, which was then starting to be a partner with Copenhagen municipality. Another initiative was a close collaboration with the company Cisco, an American technology company. Copenhagen Street Lab and Cisco worked together on a data exchange, which would facilitate data sharing throughout the municipality on urban development matters. Another initiative was to put sensors in selected places to improve and optimize parking in central Copenhagen. Sensors were also put in dustbins so the dustbin collectors (trash can collectors) could know exactly which dustbins were full and so plan their route around it, making a more optimized trash collection.

The partnership between Copenhagen municipality and Cisco were agreed upon at the highest level. The start of the initiative sprang from a meeting that the mayor of Copenhagen had with a CEO from Cisco. The two organisations began to work together. They had a common challenge: how to develop a workable smart city concept. All over the world, organisations were eager to begin finding smart city solutions. Both organisations had something to bring to the table: Copenhagen brought its reputation as a well-known European capital known for its efforts to seek climate friendly solutions and with a population known for healthy and green living habits. Copenhagen has often been ranked high in statistics on best cities in which to live. But Copenhagen did not necessarily have an updated technological understanding. This is where Cisco had something to offer. As one of the leading tech companies in the world, Cisco was well-known for its technology solutions and its work within the smart city environment.

The two organisations formed "an innovation partnership", a category within Danish legislation that enables partners from the public sector and the private sector to work together (Brogaard and Petersen 2014). In the typology used in this chapter, the partnership also qualifies as a policy partnership since they were trying to address a mutually wicked problem: how to cope with and develop smart city solutions for future use for citizens. For Copenhagen

municipality the partnership was about improving the life of its citizens and offering better services in the future.

For Cisco, it was also about gaining knowledge and experience with smart cities to use in enlarging Cisco's market share in the market for smart city solutions worldwide.

The partnership got into action-mode soon after the partnership agreement was signed. Copenhagen municipality was represented by Copenhagen Solutions Lab and its project on Copenhagen Street Lab. The two organisations focused on finding technological solutions to parking on the streets. The two organisations also agreed that the area in central Copenhagen around the town-hall square ("Rådhuspladsen") opposite the Tivoli gardens could be used as a space for experimenting with collection of data. Several prototypes of sensors were set to test in this area. Not all of the sensor-solutions worked. The people behind the sensor technology had forgotten to take into account the Danish autumn weather which has leaves falling from the trees and would sometimes cover the sensors so they could not work optimally. The sensors in the dustbins also caused some problems because the new routes the dustmen were assigned because of the input from the sensors did not match the work pace and work schedules that the dustmen were used to, and with which they could work flexibly. If one dustbin was filled on one part of the route, but others were not on the same route, the dustmen could not alter their route and still maintain the efficiency level like before.

The partners had agreed to a structure of the partnership where they would meet in a steering group and deal with the different issues that would arise during the collaboration. Smart city solutions were popping up in many places, and Cisco wanted to use the experience in Copenhagen in their wider marketing effort. This included the mayor for transportation and urban development delivering a statement of support for smart city solutions on Cisco's website. It also meant that civil servants would appear at technology expositions and talk about Copenhagen's experience with working on smart city solutions with Cisco.

The public value created was meant to be better and easier lives for citizens because of the smart city solutions. The smart city concept began to come under scrutiny in many parts of the world, and the main point of discussion was if it was too-technology-focused without considering the wider governance perspective. An American scholar and former city official in Boston wrote a book in 2019 on "the smart-enough city" (Green, 2019) where he argued that, yes cites could be smarter using technology, but that did not mean that cities had to embrace all the latest technological gadgets and inventions that engineers designed. There were limits to the smart city idea in practice.

The partnership with Cisco was not developed further as time went by. Cisco got interested in other cities. The sensor project for parking in central Copenhagen was abandoned again, and the sensors removed. The dustmen did not work from the sensors in the dustbin and returned to the way they worked before. The smart city project did not create the kind of value that was first anticipated. Copenhagen municipality continued to promote itself as a green and sustainable city, though, which culminated in hosting the C40 network of cities in Copenhagen in October 2019.

REALDANIA'S COLLECTIVE IMPACT PROJECT

The second case is about Realdania's Collective Impact project. Realdania is a foundation in Denmark which has ample sums to invest in infrastructure and collaborative action. Realdania was originally based on providing mortgages for houseowners but was later turned from an association to a foundation when a change in the Danish housing legislation made that necessary. Today, Realdania is a heavyweight in Denmark regarding investment in social projects and housing projects. Realdania has traditionally supported building of new homes and buildings, but as their fortune grew, Realdania began to look for activities to invest in other than brick-and-mortar buildings. Activities should have a social or public good component if Realdania was to invest in them.

For many years, Realdania would receive applications for specific project ideas and then give money out in response to these individual applications. Like other foundations in recent times, Realdania changed their approach and began to develop their own programs with specific profiles of who they would fund in the future. One such program was called Collective Impact, and as the name implies, this is about supporting larger programs that tackle social and public problems that cannot be solved by organisation alone.

The term "Collective Impact" stems from an approach first proposed and later developed by two American scholars, Kania and Kramer (2011), who worked on partnership and collaboration issues. They first wrote an article in Harvard Business Review where they introduced the concept of "Collective Impact" and then patented it and developed their own company/organisation that promoted the Collective Impact approach.

When Realdania decided to become more professional in their approach to partnerships and collaborative action, they turned to the Collective Impact organisation in the U.S. to buy access to their concept and support structure. The advantages for Realdania were that they would not need to invent a whole new system to carry out their approach to social problem solving on a big scale in Denmark but could benefit from the pre-set concepts and approaches that the

Collective Impact organisation in the U.S. had developed. This was almost like a plug-and-play method ready to be implemented in a Danish social context.

Realdania's Collective Impact effort was used in a small selection of projects. One of the projects was about "the open landscape". An ambitious project of wanting to get farmers, environmentalists, house owners, local governments and companies around the same table to discuss and develop how to best make use of "the open landscape". This was fraught with difficulties as farmers have traditionally guarded their lands and their fields and been less inclined to provide access to other groups, not to mention the general public who like use the great outdoors. Environmentalists, on the other hand, have sought to promote land protection for a long time, and they want to save more of the farming land for other purposes, not least preservation. There is of course also a national and regional planning policy deciding what use should legally be done with the land. So, the approach of "An open landscape" project did not start from scratch, but was embedded in long-term struggles and controversies that are not easily solved overnight.

The approach that Realdania's Collective Impact project used was first and foremost a process perspective. It was about getting all the relevant stakeholders around the same table at first. Then a specially appointed project manager would work with the different stakeholders to shed light on the problems and different interests they brought with them. The whole group of stakeholders then had to select a small number of more specific sub-projects and targets that they wanted to address and on which to work.

The power relations are important to remember in this type of partnership. It was Realdania who provided the bulk of the funding for the project of "the open landscape". Therefore, the Realdania representatives also carried the most weight in the internal discussions among the stakeholders. Realdania funded many other projects too and Realdania is an important player in the social investment context in Denmark. Stakeholders listened carefully when Realdania issued an opinion or suggested a specific way forward.

It has been difficult to establish exactly what kind of public value was produced through this partnership. One reason for this is the time factor. The results of making a more "open landscape" is something that takes time. The process elements of getting the different stakeholders around the same table has taken up most of the time. Realdania has also had to negotiate the acceptance of their leading role without explicitly wanting to assume a too strong leading role in governing and managing the partnership. At the same time, Realdania does fund most of the activities, so this is another challenge when there is a dominating organisation within a partnership that is supposed to consist of different partners with different resources.

THE DANISH WHOLEGRAIN PARTNERSHIP

The third case is the Danish Wholegrain Partnership. The Wholegrain Partnership began with a challenge; people in Denmark were not eating enough healthy food. This was a concern from the Food Agency within the Ministry of Agriculture and the NGO's of the Danish Cancer Society and the Danish Heart Society. The bread and bakery industry faced a problem at the same time. The sale of bread was declining, especially since new diets focused on other food products than bread, and this put the bread factories and companies, including bakers, in a situation where they had to do something to reverse the trend.

Organisations from three sectors: the public sector, the private sector (companies) and the civil society and NGO-sector came together to confront the problem. Together they came up with the idea of making a campaign for getting people to eat more wholegrain products as part of their daily food consumption. The idea of making wholegrain the centre of the campaign resonated with organisations from all three sectors.

The Food Agency within the Ministry of Agriculture was looking for new ways to make public awareness campaigns for a healthier diet. The private sector companies, especially the large bread companies, were eager to innovate and develop new products so they could please consumers again and at the same time helping them to have a healthier diet. The NGOs of the Danish Cancer Society and the Danish Heart Society were also eager to try out new ways of campaigning to get their health messages across in a new way.

Together, these particular organisations plus a few more, including the large retailers with supermarkets, created a new partnership – The Wholegrain Partnership. The idea was to promote the inclusion of wholegrain in various products. A number of consequences followed from this decision.

The first action was to establish a scientific knowledge base for how wholegrain improved a healthy living lifestyle. A report was commissioned from the Technical University of Denmark. This report provided the benchmark from which the partnership later worked. It was established that a daily intake of 75g of wholegrain was recommended. People in Denmark did not eat sufficient amounts of wholegrain per day so there was a challenge to be met. The second action was to establish a common label that would visually convey the message that was a product endorsed by the Wholegrain Partnership. The partnership came up with an orange logo that was put on products to demonstrate that the products had enough wholegrain in them. The third action was to make wholegrain an integrated part of the official Danish diet recommendations. The Food Agency was in charge of the official recommendations, and wholegrain was put on that list with a recommendation of 75g per day.

There were 31 organisations joining the partnership. These organisations ranged from very large, international bread and food companies like Nestlé and Schulstad to ordinary baker associations and smaller food companies. The big NGOs were present as mentioned – The Danish Cancer Society and the Danish Heart Association. The Danish Cancer Society hosted the secretariat of the partnership in the beginning, but the secretariat later moved on to Danish Industry, the large association organising most of Denmark's larger companies.

The question was how to organise this new partnership? It was agreed to make a formal organisation with a board consisting of organisations from all three sectors. The board presented a strategy from which the secretariat would work. The strategy was conceived as a three-year strategy which would be up for renewal when the current one expired. The organisations in the partnership also agreed to pay a membership fee based on the size of the individual organisations. The partnership did not hire a CEO as such but employed a Head of Secretariat.

The secretariat was rather small with only a few employees. The secretariat relied a lot on goodwill and in-kind appearances from people in campaigns. For example, several well-known sport stars agreed to appear in advertising as an in-kind gesture.

The way the partnership worked was to promote many activities to get the message across to people as customers and citizens that wholegrain should be an integrated part of their daily diet. The partnership also used the media a lot and arranged an annual "wholegrain day" with activities such as distributing breakfast to train travellers. The partnership also encouraged companies to innovate and to come up with new types of products that included wholegrain. This challenge was accepted by some of the major companies, also international companies, who saw it as an opportunity to test new products on a stable market like the Danish market. More products came into the retail shops, so consumers had more wholegrain products to choose from.

The Wholegrain Partnership also kept track of awareness of the wholegrain logo. This figure has risen steadily throughout the years. The wholegrain logo is now recognized by 71% of Danish citizens in 2021. There are 1097 products in the marketplace carrying the logo.

Making a public or shared value contribution has been the aim of the Wholegrain Partnership, and to some degree the Wholegrain Partnership has succeeded in doing that. There are now many more wholegrain products in the retail supermarkets than when the Wholegrain Partnership began in 2008. More Danes than ever recognize the wholegrain logo. The consumption of wholegrain products has gone up so Danes now eat 82g of wholegrain per day. The coalition in the partnership has been maintained and there are still around 30 stakeholders in the partnership, including many well-known organisations

and companies. The experience of the Wholegrain Partnership demonstrates what coming together on a single idea (promoting wholegrain intake) can do for a partnership's value creation success.

TABLE 16.1: Comparison of three Danish partnerships

	Copenhagen Street Lab	Realdania's Collective Impact	The Wholegrain Partnership
Type of partnership	Innovation partnership	Policy partnership	Policy partnership
Members	Copenhagen Municipality plus private companies, including Cisco	Partnership between Realdania as a foundation and funder and local organisations	30+ organisations from the public, private and non-profit sector
Purpose	Implementing "smart city" solutions in Copenhagen	Using the "collective impact" approach on wicked problems in Denmark, including sharing the "open landscape" between farmers and outdoor enthusiasts	Making citizens consume food with wholegrain to be healthier and boost sales of wholegrain products
Development	Street Lab solutions did not live up to expectations and the partnership with Cisco stopped	Some progress, but also difficult to estimate public value created before a lengthy time has passed	Meeting key objective on getting citizens to adopt a healthier diet while developing new products for the market

LESSONS ACROSS THE PARTNERSHIPS

What lessons can be drawn on how partnerships are organised based on the three empirical cases of partnerships in Denmark? This is the focus of this section. Theoretically, this section will make use of the model that John Bryson and colleagues have been working on and have presented in various publications.

First, a clear challenge is needed for the partnership to get going. In the Copenhagen municipality it was the pressure to come up with smart city solutions. In Realdania's collective impact was the need for the foundation to make social investments in new areas rather than brick-and-mortar buildings. In the Wholegrain Partnership it was to improve the national health diet of the citizens and respond to a downturn in the market for bread products seen from the private sector side. It could be discussed how pressing these challenges are, but they were all challenges that several organisations felt the need to take up and to form a partnership around. There is an institutionalized pressure to

come up with some kind of action, and each of the organisations involved felt that they couldn't manage the challenge all by themselves.

Second, an active management strategy is essential to keep the stakeholders in the partnerships engaged. Stakeholder organisations join partnerships because they want to see them move forward and to create results and public and shared value. Therefore, the partnership managers, often the head of secretariat, need to come up with activities that stakeholders can unify around, and which can help push the whole partnership forward.

In the cases above, the heads of secretariats did not have much formal power as such, since that formal power rested with the boards, but they could take initiatives, like proposing to use sensors in new smart city solutions for parking spaces, organising "the whole grain annual day", and congregate stakeholders for meetings on "the open landscape". The heads of secretariat have to be innovative and keep the stakeholders focussed on the course of action all the time.

Third, although the concept of partnership may convey a more informal type of organisation, all of the three cases were actually formalised partnerships with a relatively clear organisational structure. Copenhagen Street Lab was part of Copenhagen Solutions Lab, a laboratory for social innovation within Copenhagen municipality. It was organised as an innovation partnership according to Danish legislation. The contact group between the municipality and the private sector companies consisted of the mayor's office and the higher echelons of a private sector tech company. The board set out strategies to follow. Most compellingly, this was seen in the Wholegrain Partnership case, where there was a three-year rolling strategy. The strategy was open to renewal at the end of the period, but there was also the possibility that the partnership would be dissolved if the public value had been achieved (although this has not happened yet). All of the partnerships had introduced a relatively clear governance structure which suggests a link between the board, the management (the heads of secretariats), and the people working on the actual mutual partnership activities on the ground. The partnerships were also data-driven to a certain extent. Copenhagen Street Lab started out by focusing on data in the street lightning public tender and later on in the project introducing sensors in smart city solutions. Unfortunately, the sensors did not work as planned, and the data were not collected using a sufficiently high standard in order to be able to solve the parking problems in central Copenhagen. Both Realdania's Collective Impact and the Wholegrain Partnerships worked strategically and consistently with collecting data about their performance. Realdania wanted to use the data to monitor progress in their projects along with the recommendations from the Collective Impact concept and toolbox from the U.S. organisation where they were a member. The Wholegrain Partnership used data systematically to track

how many people recognized the orange wholegrain logo, how many wholegrain products were sold, and how much of wholegrain products people consumed.

Fourth, the power relations need to be taken seriously in the partnerships. Even though the term partnership might envisage an organisation where stakeholders share resources and risks, it is crucial to acknowledge that the different stakeholders enter with very different levels of resources. In the Copenhagen Street Lab case, both the key actors had some leverage they bring to the table. Copenhagen municipality is a comparatively large municipality in the capital of Denmark, and the city itself has gained a reputation for being eager to try out new sustainable solutions and promote green growth. These are qualities that attracted companies like Cisco. But the city lacked the latest technological knowledge to build smart cities, which is what Citelum and Cisco could offer. Their power base was their technical know-how, and the experience and access to markets for smart city solutions around the globe. So, both the public sector organisation and the private sector organisation had a power base to bring to the partnership. In Realdania's case, Realdania was the biggest partner in the project on "the open landscape". It was Realdania that had initiated the partnership, and it was Realdania that funded the partnership and made sure that the infrastructure was working. Realdania's infrastructure was based on the American organisation that that patented the concept of Collective Impact, and Realdania had paid a fee to be able to draw upon the Collective Impact experience from the U.S. In the case of the Wholegrain Partnership, the bigger organisations probably had the most impact judging by their place on the board. But it was not only one sector that was the most powerful. Representative organisations from all three sectors were thought to be equally powerful.

The Food Agency within the Ministry of Agriculture had the authority of the state behind it and was the one organisation who issued the official health recommendations. One of these recommendations involved the intake of wholegrain, so in that respect all the organisations were dependent on the authority of the Food Agency. The big bread companies and the big retail chains, like COOP, were also represented on the board. These represented "big business" and had the power resources of both producing and distributing the products of wholegrain to the customers. Without them, customers could not access products containing wholegrain. The NGO's represented many of the people who believed in healthy living, both from a nutrition point of view, but also from a personal health point of view. Two of the most powerful NGOs were the Danish Cancer Society and the Danish Heart Society who loaned their resources and credibility to the partnership.

Fifth, many of partnership cases were able to exhibit results that could lead to public or shared value creation. Copenhagen Street Lab demonstrated that it

wanted to pursue smart city solutions. It succeeded with better street lightning by entering into a partnership with the French firm Citelum, but it did not bring any lasting smart city changes through the Cisco-partnership since the sensors project failed to deliver the expected results. Finding a parking space in central Copenhagen is still as difficult as before the smart city project was started. Probably the case where the most public and shared value was created was the Wholegrain Partnership, which aimed for healthier eating habits and which succeeded to a certain extent in making Danes eat more wholegrain products and recognise the wholegrain logo to use in their shopping routines.

CONCLUDING REMARKS

This chapter has examined the organisational phenomenon of policy partnerships. Policy partnerships have sprung up in recent years as governments continue to tackle more or less wicked problems that they cannot solve alone. Partnerships do not necessarily replace traditional hierarchal organisations, but they may supplement them. Therefore, it is important to know how partnerships function and what stakeholders can do to make them work.

Three recent empirical cases of partnerships from Denmark have been examined. The cases were: Copenhagen Street Lab within Copenhagen municipality, Realdania's Collective Impact project and its partnership for creating "an open landscape" with many different stakeholders, and finally, the Danish Wholegrain Partnership, a partnership suited to foster a healthier diet among Danes while also securing new business opportunities and making new information channels available to NGOS like the Danish Cancer Society and the Danish Heart Society.

All of these partnerships required hard work to make them function, and stakeholders needed to be aligned and to recognize that they each come to the table with different resources, some more than others. Power-relations are important to recognize in a partnership, but this is often overlooked in some of the literature that is more focused on the benefits of partnerships.

Perhaps the most important lesson is that organisations know how to reach out to other organisations when they face a challenge they cannot manage on their own. As the wicked problems seem to be more urgent now with the climate crisis, the corona virus crisis and the shadow of an impending economic crisis, more organisations are prone to enter into partnerships. Learning from previous partnerships can be a help here.

What is the outlook for future research in this field? As Jacobsen (2019) has shown, there is a fascination with what is public and what is private, and any organisational form is that is a kind of hybrid like a partnership is bound

to attract attention in today's turbulent world. One of the key challenges is that the development of partnerships is often portrayed in case studies (like the ones above), but without any shared theoretical perspective. Therefore, if more researchers were to draw inspiration from some of the same models, like the Bryson et al. model described above, building up a shared knowledge base would be beneficial to the research community. Furthermore, research in partnerships is being applied to topical themes like digital transformation and climate change, which will provide a fertile ground for many types of empirical studies in the future. Finally, as the world gets more complex and collaboration becomes the norm, the partnership form may become the default organisational model in many turbulent policy areas and may therefore not be seen only as an alternative to the market and the bureaucracy but may be recognized fully on its own terms.

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EMPIRICAL CASES

Copenhagen Solutions Lab: www.cphsolutionslab.dk

Realdania's Collective Impact project: www.collectiveimpact.dk

The Danish Wholegrain Partnerships: www.fuldkorn.dk

CHAPTER 17

Strategies for change in municipal structural reforms

Åge Johnsen

ABSTRACT

This chapter explores how two change management strategies, emphasizing either the economic results of the change (strategy E) or the organisational process for change (strategy O), affect three dimensions of commitment to change in municipal reforms, utilising survey data of top and middle managers in six Norwegian municipalities. Common theories for change management have predominantly been developed from studies of private corporations in North America. These theories, therefore, may not fit directly into a Nordic, public sector context. The analysis indicates that the change management strategies were related to some dimensions of commitment to change, but sometimes in unexpected relationships. In particular, strategy O seems to have a positive relationship to affective commitment to change but a negative relationship with continuance commitment to change. For strategy E, the relationships were reversed. Strategy O, with its emphasis on stakeholder participation, may fit pragmatism and Nordic work life and public management traditions better than strategy E. The findings are also congruent with a practice that when the leadership perceives that there is much resistance to change, the leadership uses a process-oriented more than a results-oriented change management strategy. The chapter contributes to the change management literature by providing empirical analyses of a common theory for change management as well as how strategies for change is used in politically contested reforms.

Keywords: amalgamation, change management, commitment to change, local government structure, merger, partial least squares structural equation modelling (PLS-SEM), path model Reform, stakeholder participation, strategies for change.

INTRODUCTION

This chapter explores how change management affects commitment to change in a municipal structural reform in Norway. Reforms and organisational change are commonplace (Brunsson and Olsen, 1993; Pollitt and Bouckaert, 2017). Such changes are often portrayed as being urgent (Kotter, 2014). Therefore, understanding how organisational strategies and change management affect organisational behaviour and performance is important for theory and practice.

The municipal structural reform in Norway 2014–2020 is an interesting research opportunity for the study of change management. For those municipalities that chose restructuring by amalgamation (merger) the ensuing organisational change was big and complex. Moreover, for those municipalities that did

not choose amalgamation this choice also required a strategic re-alignment to a changing environment. Some former neighbouring municipalities and co-operating partners may formally have ceased to exist, and new entities emerged. Therefore, non-merging municipalities in this reform would also need to realign their strategies and plans but not necessarily aim for large organisational changes such as those merging municipalities would have to do. This chapter explores the municipalities' strategies for change in the late stages of this structural reform process, that is after the municipalities had decided to merge with neighbouring municipalities or not, but before the factual amalgamations took place.

There are many theories for how organisations could manage change processes in order to increase commitment to change and achieve real changes (Rosenbaum et al., 2018; Stouten et al., 2018). Some much-cited examples of such theories are Lewin's (1947) classical three-step model of unfreeze, change and freeze of the 1940s to more recent theories of the 1990s and 2000s such as Kotter's eight steps for successfully leading change (Kotter 1996) and Beer and Nohria's (2000) theory on strategies for change. Nevertheless and surprisingly, there is still little, systematic, empirical research underpinning many of these theories (Appelbaum, Habashy, Malo and Shafiq, 2012; By, 2005).

In this chapter, we study Beer and Nohria's (2000) theory of how two different strategies for change, strategy E and O, affect commitment to change in the public sector organisations. Change strategies E and O emphasise the results of the change and the process for the change, respectively. This theory is particularly interesting to study because unlike many other theories of change management such as Kotter's (1996) eight-step model, it explicitly addresses the bottom-up processes and not just management-driven, top-down processes (Stouten et al., 2018). How much these two strategies for change are used, whether they are used together, and what effects they have in practice, is thus interesting study. Bottom-up processes may be especially relevant in municipal structural reforms because such large-scale reforms are often prone to resistance to change. Participation from internal as well as external stakeholders may therefore be a wise strategy for a municipal amalgamation reform. At the same time, the large-scale character and time scale given for such amalgamation processes may make a bottom-up process risky (Meyer and Stensaker, 2009). It is therefore interesting to explore how municipalities manage such large-scale organisational changes and how different strategies for change affect organisational sentiments and behaviour. This chapter, therefore, analyses how municipal managers perceived strategies for change and commitment to change during the final stages of the municipal structural reform, in order to explore whether and how change management matters in this context.

This chapter concerns organising and governing; politics and administration; change and continuity; as well as collaborative governance. Municipalities

are corner stones in local government. The of the municipalities is pertinent for the administration of local affairs as well as the implementation of major public policies for example in education, health and social affairs. Changes in municipal structures involve major changes for many stakeholders. The municipal structure is important for the municipalities for their ability to keep the responsibility for many tasks in local government in a uniform way. The municipal structure is also important for determining the need for engaging in inter-municipal co-operation and other forms of collaborative governance. The municipal structure concerns political participation, public finances, and social identity, among other issues (Baldersheim, 2018; Jacobsen, 2002; Langørgen et al., 2002; Rose and Pettersen, 2003), and is a political sensitive issue, in national as well as local politics. Therefore, change management in such a politicized context is an interesting research theme and has important implications for policy makers and public management practitioners.

The remainder of this chapter is outlined as follows. Section 2 gives a brief overview of the municipal structure and major municipal structural reforms in Norway. Section 3 reviews theory on change management. Section 4 documents the method and data used in this analysis. Section 5 analyses the data. Section 6 discusses the results and concludes.

THE MUNICIPAL STRUCTURE AND MUNICIPAL STRUCTURAL REFORMS IN NORWAY

When Norway became independent from the Crown Union with Denmark in 1814, the regulation of local government was not incorporated in the new constitution. The first municipal act was passed in 1837. The first municipalities were based on the at that time 355 rural and 37 urban parishes. In order to increase political participation during the later Nineteenth and early Twentieth Century many municipalities were separated, and the number of municipalities grew to a top of 747 municipalities in 1930. During the mid-Twentieth Century communication had improved and a process started to merge many municipalities. The Schei Committee of the late 1950s suggested a radical reduction in the number of municipalities by several hundreds. The Parliament approved most of these suggestions, resulting in a decrease in the number of municipalities to about 450 in the 1970s.

The trend of urbanization continued after the 1960s. Several governments pursued continued municipal reforms during the 1980s and 1990s, without achieving support for more radical reforms. The Buvik Committee suggested in the late 1980s amalgamations of some peripheral municipalities in certain urban areas (NOU 1986:7; NOU 1989:16), which the Parliament approved

in the early 1990s. The Christensen Committee of the early 1990s suggested a minimum of 5,000 inhabitants per municipality as a criterion for a major restructuring of the municipalities (NOU 1992:15). The Parliament, however, decided that all amalgamations should be voluntary. Subsequently, other than some amalgamations in the urban areas there were only a few changes in the number of municipalities until the 2010s.

The right-wing coalition government that took office in 2013, wanted a new major, municipal restructuring. The Vabo Committee suggested in 2014 the criterium of minimum 15,000 inhabitants per municipality and that the number of municipalities to be reduced to about 100, in order for the municipalities to develop competence and specialization and still be able to handle complex tasks in a uniform way (Ministry of Local Government and Modernisation, 2014). During the ensuing four-year reform process the number of municipalities was reduced to 356, far from the initial ambitions of 100 municipalities. Figure 17.1 illustrates the development in the number of municipalities and the major municipal reforms since the 1950s until 2020.

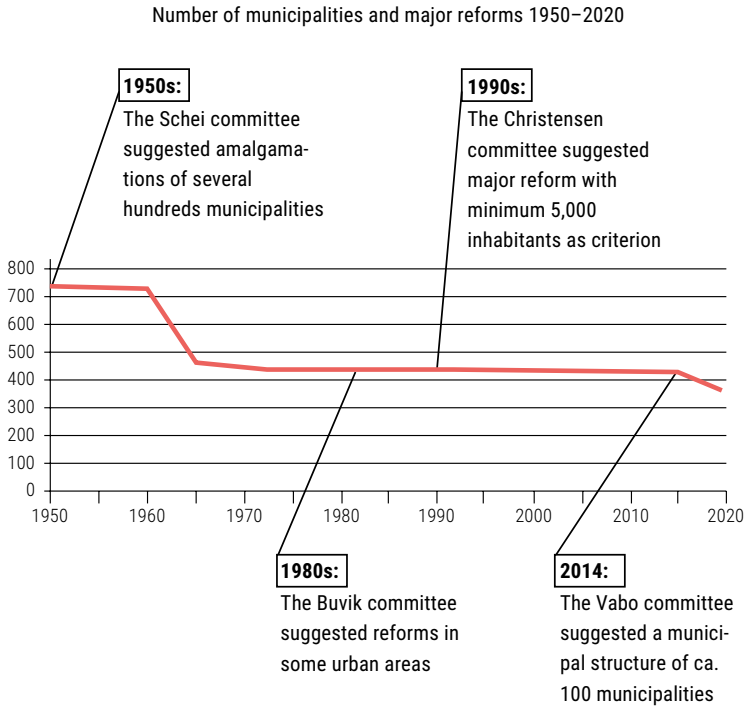

FIGURE 17.1: The number of municipalities and major municipal reforms in Norway 1950–2020.

Common to many municipal structural reforms, in national policies as well as in local initiatives for re-structuring, are that they are highly politicized and prone to resistance to change. Such reforms and local initiatives often invoke conflicts along traditional political fault lines such as left and right, centre and periphery, elites and non-elites, poor and rich (municipalities), and big and small (Askim et al., 2020; Jacobsen, 2004; Johnsen and Klausen, 2006; NOU 1974:14; Sørensen, 2004). Therefore, change management in national and local municipal structure reforms may be important for those who resist changes as well as for those who promote changes. This chapter analyses change management in local governance.

CHANGE MANAGEMENT

There is a rich literature on change management (Rosenbaum et al., 2018). Although organisational change is widespread and there are many theories of change management, there is still – with the exception of some research on Kotter's (1996) eight-step model (Appelbaum et al., 2012) – little empirically-based knowledge of how widespread models of change management work in practice (By, 2005; Stouten et al., 2018). Theory of change management is also often based on research and examples from North America. It is not self-evident that theories always work or that they work in the same way everywhere.

Nordic work relations have for a long time emphasised the work environment and employee participation in the private and public sectors. It may, therefore, be possible that theories about change management that take into account a high degree of participation from employees and middle managers have better models for implementing planned changes than theories that place more emphasis on formal authority and narrow financial outcomes for the owners. Internationally, there has also been great attention on how traditional and formal authority provides weaker power foundations than before and how new technology in the form of social media can be used to inflame large social groups quickly in a way that can challenge traditional authority and power relationships (Naím, 2013). Thus, the importance of bottom-up processes in change management, and the importance of theories about participation and anchoring, may have increased. This is reflected in recent editions of some well-known theories of change management (Kotter, 2014) which now attach great importance to the use of volunteering, networking and autonomous groups as well as traditional organisational structures in the management of change.

Change management can directly affect the organisational changes but change management can also affect the involved actors' commitment to the organisation and the changes that can have a major impact on a successful process of change (Brunsson, 1985). Commitment to change is thus interesting to study because commitment can be important for actually implementing the changes. Moreover, measuring the outcomes of large-scale organisational changes such as municipal amalgamations may require a long-time span for material outcomes to materialize. Hence, commitment to change can be studied as an intermediate outcome and possible determinant for longer-term outcomes.

Research on commitment to change is relatively new (Jacobsen, 2018a). In this chapter, we will study the most widely used theory of commitment for change, namely Herscovitch and Meyer's (2002) three-component model that divides commitment into affective, normative, and continuation commitment. This model is interesting because the three dimensions of commitment to change vary in strength in their support for change (Jacobsen, 2018a), and the model can be used to study different effects of change management.

In addition to the fact that many of the popular change management theories are still little studied empirically, much of the research in change management has so far largely studied employees' commitment to change and failed to study the commitment to change of senior and middle managers, as well as the scope of change (Stouten et al., 2018). Middle managers are often derided as "burdensome bureaucracy", but middle managers may be important in influencing the implementation of deliberate strategy (Currie, 2000) and for continuance in organisational change (Huy, 2001). Middle managers are particularly important in information dissemination (Jacobsen, 2018b) and for safeguarding current users, implementing change measures and maintaining renewal (Rydland, 2015), which are important in change management. In the survey data that we have utilised in this chapter, we have asked mainly middle managers and advisers, but also some senior managers, about their experiences with change management and commitment to change. We have also included questions on stakeholder participation in the strategic planning process, the scope of the changes (strategic actions), as well as certain traits of the respondents, in the analyses. On this basis, we ask:

How do municipalities utilize strategies for change in municipal structural reforms and how do strategies for change affect commitment to change?

STRATEGIES FOR CHANGE

There are many ways to understand change in organisations. We have chosen to use Van de Ven and Poole's (1995) definition: "Change (…) is an empirical observation of difference in form, quality, or state over time in an organisation". Strategy is often perceived to be the management's overall plan to achieve specific organisational goals. A strategy for change can thus be understood as being a management approach with different incentives to change the form, quality or state over time in an organisation (Jacobsen, 2018a).

Beer and Nohria (2000) expressed that each change is distinctive, but that they have nevertheless managed to uncover two different main types (archetypes) of change strategies: strategy E that is aimed at finance and results, and strategy O that is aimed at organisation and processes. Table 17.1 shows important features of the two strategies for change.

TABLE 17.1: Change strategy E and Strategy O. Source: Beer and Nohria (2000), Jacobsen (2018a).

	Strategy E (finance and results)	**Strategy O (organisation and processes)**
Goal	Economic improvement	Developing organisational capabilities
Management	Instructing and commanding, top-down	Delegating and supporting, bottom-up
Content	Strategy, structure and systems	People, groups and culture
Planning	Sequential, linear and analytical	Interactive, experimental and incremental
Motivation	Extrinsic motivation, use of financial incentives	Intrinsic motivation, participation and commitment
Consultants	External specialists	Process consultants

The management will be able to use parts of strategy E and O in an organisational change process, but there are some typical differences between them. Jacobsen (2018a) highlighted six dimensions that make up the biggest differences between the two change strategies. Strategy E is the economic and results-oriented form of change strategy and is characterised by its use of financial incentives such as economic cuts and layoffs. Strategy E is often referred to as the "hard" form of change strategy because it puts the owners' ("shareholders") needs at the centre, while employees are often seen as hindering the change. The focus is also more on the formal elements within the organisation, such as structure and systems

(Jacobsen, 2018a). Success in strategy E is typically measured in turnover and value for the owners (Beer and Nohria, 2000).

Strategy O is the organisational development and process-focused form of change strategy and is often seen as opposed to strategy E. Strategy O draws attention to employees' behaviour, attitudes and commitment to the organisation in a positive sense. Strategy O is often referred to as the "soft" form of change strategy because it focuses on developing and allowing all the people within the organisation to contribute and developing organisational capabilities (Jacobsen, 2018a). Success in this strategy is often measured in terms of the organisation's ability to learn from its own experiences (Beer and Nohria, 2000).

COMMITMENT TO ORGANISATIONAL CHANGE

As with change management, there are also several ways to understand commitment (Meyer and Herscovitch, 2001). Herscovitch and Meyer (2002, p. 475) defined *commitment* to change as "a force [mind set] that binds an individual to a course of action of relevance to one or more targets". Herscovitch and Meyer divided commitment to change into three different dimensions because an individual can support change on several of these dimensions at once, as opposed to whether commitment had been categorized as pure types (Herscovitch and Meyer, 2002; Meyer and Allen, 1991). *Affective commitment* is a person's identification, participation and emotional connection to the change (Allen and Meyer, 1996; Herscovitch and Meyer, 2002). Employees have this form of commitment to the change because they want the change, and this form of commitment is the strongest support for change. *Normative commitment* is the employee's sense of having a duty to the organisation. This may be in relation to norms or because the employee feels he or she must support the change (Allen and Meyer, 1996). *Continuation commitment* is the employee's feeling of having too much to lose by not following the organisation (Allen and Meyer, 1996). This is the weakest form of support for change (Jacobsen, 2018a). Common to the three dimensions of commitment is that they describe the employee's psychological state in his or her relationship with the organisation and have implications for the decision to continue or terminate their membership of the organisation (Meyer and Allen, 1991).

METHODS AND DATA

The analysis in this chapter utilises a convenience sample of 144 respondents from six municipalities. One large, urban municipality in the Oslo region did

not undertake any merger. Two municipalities, which were located in Eastern Norway, merged based on a positive result from a local referendum in one of the municipalities. The three remaining municipalities were located in Southern Norway and merged despite the two smallest municipalities having had referendums showing majority opposition towards the merger. The sample therefore has variation regarding structural reform, size and location of the municipalities, as well as resistance to change. This sample was planned as a pilot study before a larger survey of more municipalities was to be conducted in the Winter and Spring of 2020. The Covid 19 pandemic, however, effectively put a hold on surveys to municipal managers during this period. The analysis in this chapter therefore explores the data from the pilot study.

The data are pooled from two surveys in the six municipalities. One survey, which was conducted in May 2019 in the municipality which did not participate in merger, involved 43 managers and advisors in the municipality's central administration. The other survey was conducted in August 2019 in the five municipalities during the final stages of the two municipal merger processes. This survey involved 453 mostly top and middle level managers.

The two surveys shared many of the same questions. The surveys measured Beer and Nohria's (2000) strategies for change that either emphasise the processes for change (strategy O) or the economic results of the change (strategy E), utilising new research instruments with eleven questions for measuring these strategies. The survey replicated Herscovitch and Meyer's instrument for measuring the three-component model for affective, continuance and normative commitment to change with a total of eighteen questions. The survey also replicated two instruments for measuring strategic planning in municipalities, where this chapter utilises a measure for participation of nine stakeholder groups in the strategic planning process (Poister and Streib, 2005), and a measure for strategy content by eight categories of strategic actions (Boyne and Walker, 2004).

The survey was distributed electronically, and the respondents were granted anonymity. After three rounds of following up non-response, 144 of 496 individuals responded, giving a response rate of 29 per cent. None of the variables had more than three missing responses to any questions, giving a maximum of 2 percent missing responses to any variable.

Fifty-one percent of the respondents were females. 8 percent were top managers or in the top management teams; 27 percent were financial managers, controllers or advisors; and 65 percent were middle-level managers. The respondents had an average of 13.7 years of management experience. More than half of the respondents had worked in the present municipality for 10 years or more. The respondents were therefore well-situated for providing qualified information

on their experiences with change management in these organisational change processes.

The bivariate, factor, and multiple regression analyses were performed using JAMOVI 1.6 (the jamovi project 2020). The path model analyses with PLS-SEM were performed using ADANCO 2.2 (Henseler and Dijkstra, 2015).

A Harman's one-factor test, an un-rotated principal component analysis with only one factor, included all the items with Likert scales and showed one factor explaining 22 percent of total variance. This is well below the common threshold of 50 percent that commonly is used for indicating major common method bias (Jakobsen and Jensen, 2015).

In this explorative analysis, we analyse a path model with partial least squares structural equation modelling (PLS-SEM) (Benitez et al., 2020; Hair et al., 2019a). PLS-SEM calculates the parameters in the models with the ordinary least squares method, so that explained variance in the dependent variable is maximized, as in regression, but unlike regression, the models can be more complex and have more than one dependent variable. Furthermore, in PLS-SEM the variables are most often calculated as being composed of several indicators, which should represent the latent or formative concepts in which one is interested. PLS-SEM is well-suited to explore contexts where there is little theory, and the method is also well-suited for analysing datasets with relatively few units (Hair et al., 2019a).

PLS-SEM models consist of outer models that are models for measuring concepts (measurement models), and internal models that show the connection between the variables in the models (structural models). Assessment of PLS-SEM models can be broken down into assessments of the outer measurement models and assessment of the structural models (Benitez et al., 2020).

We start by assessing the measurement models, and these can be divided into reflexive models for latent variables and formative models for formative variables. Table 17.2 reports descriptive statistics for the variables that were used in the final measurement models of the constructs. Non-response to individual questions has been replaced with mean values in the calculations of the two reliability measures, average variance extracted (AVE), variance inflation indexes (VIFs), and in the following PLS-SEM analyses (N=144).

TABLE 17.2: Descriptive statistics and measurement of constructs. Notes: SD=Standard deviation. rA =Dijkstra-Henseler's Rho. a =Cronbach's alpha. AVE=Average variance extracted.

Construct	N	Mean	SD	Min	Max	Measurement model	Items	rA	a	AVE	Highest VIF
Merger	144	0.72	0.45	0	1	Single indicator	1				
Participation	144	4.78	0.92	2.00	7.00	Emergent variable (Mode B)	3				1.20
Strategic actions	142	5.11	0.77	2.40	7.00	Emergent variable (Mode B)	5				1.54
Change strategy E	143	4.60	0.82	2.67	6.67	Emergent variable (Mode B)	3				1.31
Change strategy O	142	4.63	1.19	1.00	7.00	Emergent variable (Mode B)	4				1.91
Affective commitment	142	5.00	1.35	1.00	7.00	Latent variable (Mode A consistent)	6	0.94	0.93	0.70	
Continuance commitment	142	3.64	1.62	1.00	7.00	Latent variable (Mode A consistent)	4	0.91	0.91	0.72	
Normative commitment	141	5.36	1.29	1.50	7.00	Latent variable (Mode A consistent)	2	0.67	0.67	0.50	
Municipal centre	144	0.30	0.46	0	1	Single indicator	1				
Management position	144	0.08	0.27	0	1	Single indicator	1				

In reflexive models (latent variables, Mode A or Mode A consistent) the indicators are the dependent variables, and the latent construct is the independent variable. Reflexive models are assessed according to the latent variables' composite reliability, convergent reliability, the construct reliability of the indicators, and discriminant validity. *Composite reliability* is satisfactory when Dijkstra-Henseler's rho>0.707 and with Cronbach's alpha as a lower limit for satisfactory reliability, usually at least 0.70 or as low as 0.60 in exploratory studies, such as this. The composite and construct reliability for two of the three reflexive constructs was very high ranging from 0.91 to 0.94. The third reflexive construct had a low reliability of 0.67 but sufficient for an exploratory study (Hair et al., 2019a). *Convergent validity* states how much the indicators of a latent variable actually measure the same construct. The criterion for convergent validity is that average extracted variance (AVE) is >0.5. AVE is the average of all the squared loadings for a construct. All three latent variables had AVE of 0.50 or higher. The *reliability* of the indicators is assessed on the basis of the factor loadings. The factor loadings squared correspond to the reliability of the indicators. The loadings should be >0.707 for the indicators to explain at least 50 percent of their latent variable but may be lower if the content validity and reliability are good (Benitez et al., 2020; Hair et al., 2019a). The factor loadings must also be examined as to whether they are statistically significant. All the items for the three commitment to change constructs had significant loadings of 0.70 or higher. *Discriminant validity* implies that latent variables, which are intended to represent distinct theoretical concepts, are sufficiently statistically different. Discriminant validity is measured by the HTMT (heterotrait-to-monotrait) statistic being less than 0.90 if the constructs are relatively similar and less than 0.85 if the constructs are different, and statistically less than 1. The highest HTMT was 0.56 between merger and normative commitment and significantly different from 1 (0.71 with 95 percent confidence interval), suggesting high discriminant validity.

In formative models (emergent variables, Mode B) the indicators are the independent variables, and the construct is the dependent variable. Assessment of formative models includes assessment of multicollinearity, weights, loadings and the significance of the weights and loadings. *Multicollinearity* between the indicators in the formative variable is examined with the variation inflation index (VIF). VIF should be below 5 and preferably below 2 (Hair et al., 2019b). None of the indicators for the formative constructs had a VIF value than 1.94. Some weights and loadings for the indicators in the participation and strategic actions constructs showed small values and lack of significance, but the indicators were retained due to content validity.

ANALYSIS

BIVARIATE ANALYSIS OF DIFFERENCES BETWEEN MERGING AND NON-MERGING MUNICIPALITIES

We start the exploration by analysing if participation in strategic planning, strategic actions, change strategies, and commitment to change are different in the five municipalities that were in structural reform processes compared to the municipality that had decided to keep the current structure. See Figure 17.2.

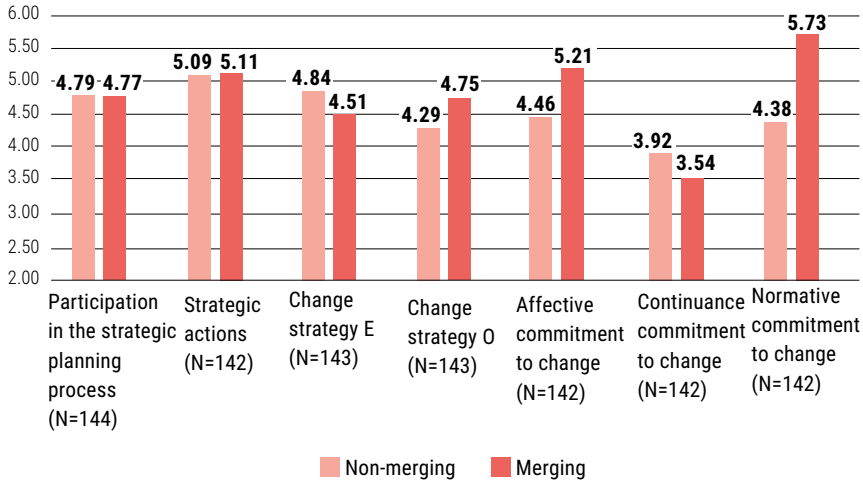

FIGURE 17.2: Strategic actions, change strategies and commitment to change by municipal reform

In order to test whether these differences between merging and non-merging municipalities were statistically significant we performed a t-test of differences between means. We chose Welch's independent samples t-test of differences between means instead of Student's t-test because the data came from two different surveys and because we cannot assume equal variance in the two populations, as Student's t-test assumes. Welch's t-test, like Student's t-test, assumes normality, so we apply Shapiro-Wilk's test of normality. The t-tests indicated that the use of change strategy E was significantly lower and change strategy O was significantly higher in the reforming municipalities compared to the non-reforming municipalities. The t-tests also indicated that affective and normative commitment were significantly higher in the reforming municipalities than in the non-reforming municipality. The Shapiro-Wilk's test of

normality, however, indicated that we cannot fully trust that the differences are real because the data were not normally distributed, which is an assumption for the t-test.

We have also performed a similar analysis of differences between means in strategic planning, strategic actions, change strategies and commitment to change, as above, between the three municipalities that would get a new municipal centre after the municipal reform compared to the three municipalities that would see no new location of their municipal centre (Johnsen and Klausen, 2006). Change strategy O and normative commitment was significantly higher ($p<.05$) in those municipalities that got a new municipal centre than in those municipalities that kept their municipal centre, but again the normality test showed that due to non-normal data these apparent differences may not be trustworthy.

Multivariate analysis of path models with PLS-SEM

In exploratory studies, like this, the explained variance, path coefficients, and effect sizes are the most interesting criteria for assessing structural models (Benitez et al., 2020). In a first stage of the analysis the structural models were set up with more paths than in the final model reported here. In order to simplify the analysis, only paths with significant relationships in the first stage were retained. The resulting model, where all the relationships in the structural model are significant, is reported in a relatively simple manner in Figure 17.3. Merger and participation in the strategic planning process are the exogenous variables, strategic actions and strategies for change are the endogenous variables and the three dimensions of commitment to change are the dependent variables. Change in municipal centre and the respondents management position are control variables.

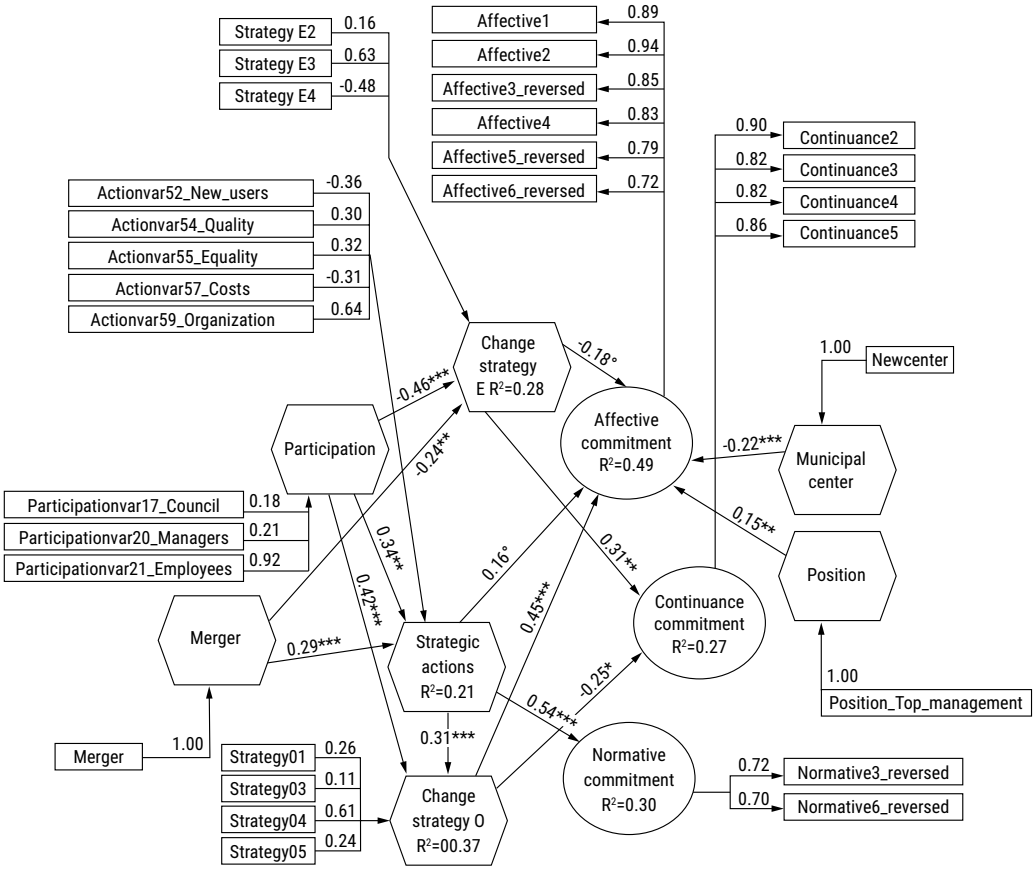

FIGURE 17.3: PLS-SEM of affective, continuance, and normative commitment to change in six municipalities (N=144)

	Strategic actions		Strategy E		Strategy O		Affective commitment		Continuance commitment		Normative commitment	
	Path coeff.	f^2	Path coeff.	f^2	Path coeff.	f^2	Path coeff.	f^2	Path coeff.	f^2	Path coeff.	f^2
Merger	0.29**	0.11	-0.24**	0.08								
Participation	0.34**	0.14	-0.46**	0.29	0.42**	0.24						
Strategic actions					0.31**	0.13	0.16+	0.04			0.54**	0.42
Strategy E							-0.18+	0.03	0.31*	0.08		
Strategy O							0.45**	0.20	-0.25*	0.05		
Municipal centre							-0.22**	0.08				
Management position							0.15**	0.04				
R^2	0.21		0.28		0.37		0.49		0.27		0.30	
Adjusted R^2	0.20		0.27		0.36		0.47		0.26		0.29	

TABLE 17.3: Assessment of structural models (N=144). Notes: Path coeff.=standardized (beta) regression coefficients. +=significant p<.10, *=significant p<.05, **=significant p<.00.

Table 17.3 shows path coefficients, effect sizes, and explained variance for the measurement models. *Path coefficients* in PLS-SEM are standardized regression coefficients (beta coefficients) and show standard deviation changes in the endogenous (dependent) variables for a standard deviation change in the exogenous (independent) variables. With a given confidence interval, the coefficients should be different from 0. Of the 14 path coefficients in the final, simplified model, all were significant at the 5 percent level or better (p=<0.05). The practical importance is examined by assessing the *effect size* (Cohen's f^2) which indicates how substantial a direct effect is and is independent of the sample size. A weak effect size is considered as f^2 from 0.02 to 0.15, medium is 0.15 to 0.35, and 0.35 and higher is a large size effect (Hair et al., 2019a). Strategic actions had a large effect size on normative commitment (f^2=0.42), followed by participation on strategy E (f^2=0.29), participation on strategy O (f^2=0.24), and strategy O on affective commitment (f^2=0.20).

Explained variance in the dependent variable (coefficient of determination, R^2) is used for assessing model fit in PLS-SEM in the same way as this measure is used in regression analysis. The models explained from 26 to 49 percent (adjusted R^2=0.26–0.47) of the variance of the three endogenous (dependent) variables for commitment to change, which is satisfactory in an exploratory analysis. The explained variance in the PLS-SEM model was higher than

in three multivariate regression models (not reported here) using the same independent variables for each of the three dependent variables with adjusted R^2=0.45, 0.25, and 0.25, for affective, continuance and normative commitment, respectively.

DISCUSSION AND CONCLUSIONS

Organisational change processes are often claimed to be failures in 70 percent of the change efforts. This claim, even though often cited, lacks empirical evidence (Hughes 2011). Nevertheless, planned organisational changes – in particular large and radical ones – are often seen as complex and uncertain endeavours, often facing resistance to change. It was, therefore, interesting to note that the merging municipalities seemed to have used strategy O more than strategy E, maybe to avoid invoking more resistance than was already present (Szabla, 2007). The relatively extensive use of strategy O coincided with high affective and, in particular, high normative commitment to change in the reforming municipalities. Using cross-sectional data, we can nevertheless not state causality. In fact, it is also imaginable that municipalities that experience high commitment to change can "relax" and use strategy O while municipalities that experience low commitment to change have to resort to using strategy E. Moreover, in 2019, when the surveys were conducted, the municipalities had been in the reform process for nearly four years. It may have been the case that, for example, the municipality that did not merge, previously had used strategy O in the early stages of the reform and used strategy E in the later stages when implementing the new strategic plan. It could also be the case that in a municipal structural reform process, the government at the national level and top management at the municipal level prefer to use strategy O in the early stages. In later stages a balanced strategy of E and O, or a sequential use of the change strategies, could be used during the process depending on local circumstances, for example adapted to stakeholders' participation and the strategic issues addressed in the strategic changes.

The amalgamation process and the strategic planning process seem to have been separate processes, but when the issue of merger is decided this choice affects the strategy content and hence the strategies for change. Nineteen of the forty respondents in the municipality that chose to avoid amalgamation and sixty-four of the 104 respondents in the five municipalities that were in an amalgamation process gave optional information on the most pressing issues in the strategic planning process. In the municipality that was not in an amalgamation process the respondents pointed to digitalization, demographic development (ageing population), and the environmental development, and the

need for improving efficiency, as the most pressing strategic issues. Such issues may be more amenable for a strategy E than a controversial and even more radical change such as amalgamation. The most prevalent strategic issues, which the respondents in the five municipalities undergoing a merger process pointed out, were amalgamation and re-organisation, digitalisation, the demographic development and economic turn-around. Many of the most pressing strategic issues were the same in the municipalities but environmental issues seem not to have been on top on the agendas in the municipalities undergoing merger processes. Environmental issues are regarded by many as our era's most important political and strategic issue with grave long-term consequences. Amalgamation was seemingly a more urgent strategic issue for change management, given the deadline of 1.1.2020 to execute the amalgamation in the national municipal structural reform.

The chapter, utilizing survey data from six municipalities in Norway, has explored how participation of major stakeholders in the municipal strategic planning and strategic actions in the municipal strategic plans affected the strategies for change and subsequently how the change management affected the commitment to change in municipal structural reforms. The analysis revealed that it makes sense to study planned organisational changes in municipal reforms using the theoretical lenses of strategies for change. The municipalities that were in an amalgamation process, which often was controversial, used the process-oriented change strategy O more than the municipality that did not choose amalgamation. Strategy O was positively related to affective commitment, which is the strongest support for change. The strategies for change could have been adapted due to local circumstances, for example the degree of stakeholder participation in the strategic planning process, the content of the strategic plans, as well as resistance towards amalgamations.

Strategies E and O are evidently different and are best used separately, according to Beer and Nohria (2000). Still, even though it is hard, it is possible to combine strategy E and O they argued. One way to combine would be to balance the strategies. Another way is to use the change strategies sequentially. Predominantly using strategy O or balancing strategy E and O are approaches that would seemingly fit the Nordic tradition of pragmatism and stakeholder involvement more than serving the "shareholders" (owners such as the government or political majority) most, for which strategy E is more adapted.

The data used for this exploration was cross-sectional and limited with respect to number of respondents and municipalities. Further studies would profit from a more extensive data set with more municipalities and utilising survey or interview data for example at several instances during the time period of the change processes.

The analysis in this chapter has revealed the need for more research on change management in municipal structural reforms. First, there is a need for replication studies in order to assess whether the pattern found in this analysis (where municipalities in merger processes used change strategy O relatively more) is common in municipal structural reforms. Second, there is a need for more extensive, time series studies in order assess whether municipalities in structural reforms apply one strategy for change consistently or shift between the strategies for change during the reform process. Third, there is a need for more studies of how contingencies such as fiscal stress (urgency) and reform sentiments (resistance to change) affect strategies for change.

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CHAPTER 18

Representative and responsible bureaucracy: A longitudinal study over 40 years of Norwegian central government

Tom Christensen and Per Lægreid

ABSTRACT

This is a study of the demographic profile of civil servants in the Norwegian central government from 1976 to 2016. The relationship between structural features and demographic features is examined, based on theories of representative bureaucracy and responsible bureaucracy. A main result is that the civil service is not representative of the citizens and this pattern is stable over time. However, there has been a gender revolution and a large increase in the share of social scientists. Social background has a weak effect on how bureaucrats work in practice. This contrasts with the importance of organisational factors.

Keywords: governance, horizontal structures, organisation culture, organisation demography, organisation design, organisation locus, organisation structure, physical structure, policy design.

INTRODUCTION

The idea of representative bureaucracy has a long history in public administration research (Kingsley 1944). The main argument was that the civil service should reflect the social composition of the citizens it is supposed to serve, and it focused mainly on passive representation (Pitkin 1967). During the New Public Management reforms the values of representative bureaucracy and social equity gave way to an efficiency- and performance-based human resource management approach. At the same time, demands for greater inclusiveness in the composition of the public-sector workforce expanded the meaning of representativeness in many countries. The diversity drive embraced religion, race, ethnicity, language, social class, age, gender, region, and education (Wise 2002, Lægreid and Wise 2015).

In recent years, there has been a revitalization of the interest in representative bureaucracy. There has been an increased focus on symbolic representation, on the relationship between passive and active representation and on the importance of diversity and contextual features (Riccucci and Van Ryzin 2016; Peters, von Maravic and Schröter 2012; Dolan and Rosenbloom 2016; Andrews et al. 2016; Murdoch, Trondal and Geys 2016). The findings are, however, mixed regarding the relevance of demographic background for bureaucratic decisions and public policy (Meier 2019). One reason for this is that the social traits are constrained by organisational features of the public bureaucracy, by recruitment based on merit, and by bureaucratic careers, as expected from a theory of responsible bureaucracy (Lægreid and Olsen 1978, Christensen and Lægreid 2009).

This chapter focuses on the case of Norway. The issue of representative and responsible bureaucracy was a core interest for the first Norwegian Power Study in the 1970s (Lægreid and Olsen 1978), and it was followed up by subsequent surveys of bureaucrats in central government that were conducted every ten years from 1976 to 2016. The chapter is based on these unique surveys, and it aims to synthesize the main findings and analyses from this rich longitudinal database.

The chapter addresses the following research questions:

- *What is the demographic profile of civil servants in the Norwegian central government?*
- *How has this profile changed over the last forty years and to what extent is it representative of the population?*
- *Based on the theories of representative and responsible bureaucracy, what are the impacts of demographic features on bureaucrats' perceptions, priorities and behaviour?*

The two first questions focus on passive representation, while the third question addresses active representation. Theories of representative and responsible bureaucracy are first presented, followed by an outline of the data base. Then empirical analyses of civil servants' demographic background are presented, focusing on change over time and differences between ministries and central agencies. The third section discusses (mainly based on a review of previous studies of the Norwegian central government) the importance of demographic and structural features on the bureaucrats' perceptions and actions in their daily work. Finally, some conclusions are drawn. A main finding is that their perceptions and behaviour can be better understood from a theory of responsible bureaucracy than from a representative bureaucracy.

THEORETICAL FRAMEWORK

One can distinguish between four aspects of representation (Pitkin 1967, Lægreid and Olsen 1978): a *similarity aspect*, meaning that one group should mirror the demographic characteristics of another group (passive representation), a *content aspect*, meaning that one group acts in the interests of another group (active representation), a *selection or control aspect*, meaning that one group can decide the scope of action for another group and control its actions, and a *symbolic aspect,* meaning that one group can symbolize the identity or quality of another group.

Representative bureaucracy emphasises that the individual characteristics of the people who fill the positions in the bureaucracy will have a significant influence on how the bureaucracy works. The assumption is that in aggregate the bureaucracy should resemble those it serves (Meier 2019), because bureaucrats who share social characteristics with citizens will also share their values. Thus, representative bureaucracy combines passive and active representation. Their demographic backgrounds might play a role in bureaucratic thinking and behaviour and affect the content of policy and how output is distributed across social groups (Andrews et al. 2015). Thus, the representative bureaucracy might be an indirect control of the administrative apparatus (Jacobsen 1997).

The argument is that one cannot understand how a public organisation works without addressing the demography of the individuals who work in it (Pfeffer 1983). Through their early socialisation, people join a government bureaucracy with certain "social baggage" that affects their subsequent attitudes and behaviour as civil servants. It is not the organisation that acts but individual employees. A main recruitment criterion is various quota arrangements for different social groups, supplementing merit-based recruitment. This theory of representative bureaucracy concentrates on the relationship between the content aspect and the similarity aspect of representation.

In this theory, the focus is on from where bureaucrats come. The argument is that government officials should be representative of the citizens they are supposed to serve regarding social and geographical background, gender, and age, and that the social background of the individual bureaucrat affects his or her perceptions and actions (Lægreid and Olsen 1978). Central preconditions for such relationships concern stable and strong group identity, the saliency and prestige of the group, long-term relationship to the group, consistency with membership in other social groups, and a strong connection between the identity of the group and bureaucratic tasks and discretion (Thompson 1976). The argument is that group membership is a recruitment criterion and that there is a tight coupling between passive representation and active representation.

One problem with this theory is that it does not distinguish between different social categories that bureaucrats belong to, meaning that they might represent different groups under different contextual circumstances (Meier 2019). More generally, the mechanism by which social background becomes relevant for specific problems, solutions and policies is not always obvious.

The theory of *responsible bureaucracy* focuses on how the organisational structure affects civil servants' behaviour and strengthens or weakens the connection between public preferences and actual politics (Lægreid and Olsen 1978; Meier and O'Toole 2006). The civil servants' behaviour is constrained and enabled through hierarchy, specialisation, rules, and regulations. Organisational

socialisation can hinder the links between passive and active representation (Wilkins and Williams 2008). The substitution of one individual employee with another may not have a significant impact on how the bureaucracy works, because roles and positions are formal and defined and specified independently of the individual characteristics of the people who fill the positions (Egeberg 2012). The bureaucrat operates more in line with the demands of his or her position than according to individual preferences. This model concentrates on the relationship between the selection/control aspect and the content aspect of representation.

In this theory, the bureaucracy has a relatively strong ability to socialise the civil servants, a relatively strong potential to discipline bureaucrats in their actions and decision-making through gradual promotion and an incentive system, and a relatively strong ability to control individual bureaucrats' decisions (Lægreid and Olsen 1978). Where the bureaucrats are embedded in the formal structure matter, i.e., "where you stand depends on where you sit".

The merit principle, focusing on professional competence and qualifications, is the legitimate criterion for recruitment in this theory. All applicants are expected to compete on equal terms without taking social background into account. The idea of responsible bureaucracy has a strong footing in normative democracy theory and classical administrative theory, and it has had a dominant position in the constitutional narrative of the political-administrative system in Norway (Christensen 2003).

These two theories can also be combined. It is necessary to understand the coevolution of individual and organisational features, and a core question is to what degree it is possible to have both organisational involvement and representative bureaucracy (Romzek and Hendricks 1982). The importance of pre and post-recruitment factors such as geographical, social, epistemic, and departmental identity might vary according to the circumstances (Trondal, Murdoch and Geys 2018) and public managers might face different role expectations such as loyalty, autonomy, and advocacy (Jacobsen 1996). Features of the group that the bureaucrats are supposed to represent, of the civil servants themselves, of the relationship between civil servants and those they are expected to represent, and of the organisations in which they work all matter (Groenveld and Van de Walle 2010; Lægreid and Olsen 1978; Meier 2019; Meier and Stewart, 1992; Meier and Morton 2015).

There are many organisational barriers to representation. Individual background factors are supposed to have an impact on decision-making behaviour among bureaucrats, but the strength of such features might depend on the characteristics of the organisational structure and bureaucratic career. Public organisations might socialise their bureaucrats so that they adopt the values of the organisation, discipline them via various rewards and/or control them more directly

(Lægreid and Olsen 1978, Meier 2019; Selden 1997). Meier and Nigro (1976) and Selden et al. (1998) found that agency affiliation is a more likely predictor than social and geographical origin. It is therefore important to restore organisational diversity by focusing on variations in tasks and institutional factors (Schröter and von Maravic 2012). Also, in theories of representative bureaucracy, scholars are well aware of that loyalty and structural factors might prevent passive representation from morphing into active representation (Gravire 2013).

DATA BASE AND METHODS

This chapter is based on a set of internationally unique survey data. Every ten years from 1976 until 2016, civil servants in the Norwegian central government answered a comprehensive questionnaire. It covered the bureaucrats' social and geographical background, tasks, capacity and career; but it also covered their administrative behaviour such as contact and participation patterns, as well as perceptions regarding priorities, role understanding, power and influence, coordination, conflicts, identity, trust relations, administrative reforms and internationalisation. The self-perception data from the surveys do not allow us to say much about direct active representation and there are limitations regarding possibilities to differentiate between specific decisions and priorities. However, if one links background data to perceptions and decision-making behaviour, one can obtain some indications of this relationship. In this chapter, the descriptive analysis is mainly on the aggregate level, distinguishing between ministries and central agencies. Regarding the analysis of the relative importance of organisational features in relation to demographic features, this is mainly referring to several previous studies based on the same survey data set.

The series of surveys includes all civil servants from executive officer grade upwards with at least one year of tenure in all ministries. From 1986, central agencies were also included in the survey. Owing to the large number of employees in central agencies, one third of the employees at the same level were randomly included. The response rate was very high but decreased somewhat over time from 72% in 1976 to 60% in 2016. The problem of representativeness in our database is thus significantly lower than it normally is in similar international surveys.

DEMOGRAPHIC FEATURES – BIASED RECRUITMENT

Main demographic factors are now described, going beyond the social and geographic background to include aspects of professional and bureaucratic

representation (Peters et al. 2015). The data in this section is mainly based on Christensen et al. (2018).

AN EDUCATIONAL ELITE AND PUBLIC SECTOR BIAS

Regarding the *family background* of the civil servants, the *educational level* of the parents of civil servants has increased significantly over time. In the ministries, the percentage of parents with a university education increased from 28% to 50% between 1976 and 2016 and in the central agencies from 17% in 1986 to 43% in 2016. This trend reflects the educational revolution that has taken place in Norway over the last forty years. The parents of civil servants represent an educational elite. In 1975, 9% of citizens had higher education while 28% of the parents of civil servants in ministries at that time did (Lægreid and Olsen 1978). In 2016 the corresponding numbers were 33% and 50%.

Regarding the *occupational background* of civil servants' parents, relatively few were farmers, fishermen, workers or craftsmen. Largely their parents worked in the public sector. In 1986, 33% of civil servants in ministries came from families whose parents worked in the public sector. By 2016, this had increased to 39%. In central agencies, the proportion was 29% in 1986 and 37% in 2016. In comparison, about 20% of the working population were employed in the public sector in 1976 and 32% in 2016, meaning that the difference has narrowed slightly. There seems to be a path-dependency regarding choice of occupation.

CAPITAL BIAS AND THE FEMALE REVOLUTION

There is a strong overrepresentation of civil servants who grew up in Oslo. In 1976, 34% of civil servants grew up in the capital, while only 12% of citizens lived in Oslo at that time. Over time, the relative size of the Oslo population has increased, reaching 13% in 2016, while the proportion of civil servants growing up in Oslo has decreased to 26%. In addition, a relatively large proportion come from neighbouring municipalities. 20% came from Southern and Western Norway, which accounted for 32% of the population in 2016 and had the strongest underrepresentation.

Regarding *gender*, there has been a revolution in the Norwegian central government over the past forty years. While in 1976, only 15 % of civil servants in ministries were women, this proportion had increased to 51% by 2016. In central agencies, the percentage of women among civil servants increased from 16% in 1986 to 50% in 2016. In 1976, there were no women among the top civil servants in the ministries, but by 2016, the share had increased to 27% (Christensen et al., 2018). For middle manager positions, the percentage rose

from 12% to 43% and for executive officers from 19% to 54%. In central agencies, 10% of top civil servants and middle managers were women in 1986. By 2016, this figure had increased to 50%. For executive officers it rose from 21% to 51%. Thus, the underrepresentation of women in top and middle manager positions is higher in ministries than in central agencies.

The general trend towards more women in the central bureaucracy reflects the increasing number of women in higher education in general and especially in those disciplines from which the central government increasingly recruits civil servants, such as the social sciences.

SOCIAL SCIENTISTS TAKE OVER

Professionalisation is a major source of values and identities for bureaucrats (Meier and Morton 2012). The Norwegian civil service is a professional, merit-based bureaucracy. According to the civil servants in the ministries in 2016, 80% reported that educational background, work experience and performance were important or very important in recruiting management officers, while 32% mentioned seniority, 42% gender equality, 22% ethnic equality and 3% affiliation to political party or political sympathies.

It is very rare to obtain a position in a ministry without higher education. The academic background of ministerial and central agency staff is, however, very different. While law, social science and economics dominate in the ministries, a science background is more common in the central agencies, mainly because many agencies perform more technical tasks.

There have been significant changes in the educational background over time, especially in the ministries. Law was the dominant profession in 1976 (38%) but had decreased to 21% by 2016. Forty years later social sciences had replaced law as the main educational background, up from 4% in 1976 to 30% in 2016. Most of the social scientists recruited are political scientists. One reason for this change is that the talent pool changed significantly by an increasing number of political science graduates. The share of economists has remained rather stable over time. In central agencies, too, social science has become more strongly represented over time, up from 4% in 1986 to 20% in 2016.

In 1976, 48% of the top civil servants and managers were lawyers, while this proportion was only 23% in 2016. In contrast, the proportion of social scientists rose from 3% in 1976 to 28% in 2016 among leaders at this level. This is a rather dramatic change. The proportion of economists/business administration graduates among top leaders has been rather stable over time, slightly less than 20% taken together.

In the central agencies, science is the major academic background for leading positions; nevertheless, the proportion of scientists among top civil servants and managers decreased from 47% in 1986 to 29% in 2016. The proportion of social scientists in these positions rose from 1% to 17%, the share of economists/business administration graduates rose from 10% to 16%, while the proportion of lawyers remained stable at between 10% and 14%.

A GOVERNMENTAL LABOUR MARKET AND LONG TENURE

In contrast to many other countries, there is no centralised civil service education in Norway, and no central entry exam for the civil service. The Norwegian recruitment system to central government is decentralised in the individual ministry and central agency. The main pattern is to be recruited directly from higher education or from other public jobs into lower positions in the hierarchy and to have a long career within the governmental apparatus, often in the same ministry or agency.

Recruitment directly from higher education has decreased from 32% in 1986 to 17% in 2016. Recruitment from other government bodies has increased over time. While 27% came from other ministries or subordinate central bodies in 1986, this proportion had increased to 36% by 2016. In central agencies, there is a different development. In 1986, 39% came from other central governmental bodies, while this had decreased to 28% by 2016.

There is a stable but low level of recruitment from municipalities and counties. Overall, there is a public sector labour market. In 1986, 49% of civil servants in ministries were recruited from other public bodies and by 2016 this had increased to 68%. In the central agencies, the proportion was 43% in 1986 and 51% in 2016. In the ministries, recruitment from the private sector has remained low and stable over the whole period. In the central agencies, recruitment from the private sector has been higher.

Overall, civil servants in ministries and central agencies have a long tenure in central government. In 2016, 51% of the civil servants had been in the ministries for ten years or more in contrast to 33% in 1986. In the central agencies, there was an opposite trend. While 46% had been in the agencies for more than ten years in 1986, this had decreased to 36% by 2016. One reason for this might be stronger growth in positions in central agencies than in ministries over time.

Only a minority of the civil servants had *plans to leave* their ministry or central agency. In 2016, 24% of civil servants in the ministries and 23% in the central agencies had plans to leave for a job in another organisation, and this proportion decreased significantly after 1986. In 2016, most of them had

plans to leave for other public sector jobs: 63% in the ministries and 61% in the central agencies.

ADMINISTRATIVE ATTITUDES AND BEHAVIOUR: STRONG STRUCTURAL AND EDUCATIONAL PREDICTORS

We now turn to the question of active representation. A core question in the theory of representative bureaucracy is to what degree demographic features such as social and geographic background, gender, age, and education influence the actual behaviour of civil servants. Is the effect of social background constrained by socialisation, disciplining and control processes within the bureaucracy, meaning that bureaucratic career, tenure, position, organisational affiliation, and task portfolio are the main predictors of bureaucratic attitudes, perceptions and actions (Christensen and Lægreid 2009)? These questions are addressed referring to a wide selection of studies aiming at synthesizing these findings. Based on the same survey data as for passive representation, numerous studies have been done on a wide variety of dependent variables, where the same independent demographic and organisational variables are used.

Overall, early socialisation related to gender, age, geographic and family background does not explain much of the variation in civil servants' perceptions and behaviour, which weakens the explanatory power of the theory of representative bureaucracy (Christensen et al. 2018). Organisational features are the strongest predictors, but academic background and education also matter. This was a main conclusion from the seminal study by Lægreid and Olsen (1978) on the first survey of civil servants in the Norwegian ministries and it has been confirmed in several studies since then.

Analyses based on the data from the Norwegian administrative surveys from 1976 to 2016 show systematically that structural features are most important for understanding variations in civil servants' attitudes and decision-making behaviour (Christensen et al. 2018). Organisational boundaries and constraints matter for bureaucrats' perceptions and behaviour at work, meaning that organising implies a "mobilisation of bias" (cf. Schattschneider 1960).

The only demographic variable that has a significant and stable effect is educational background, while gender and age have shown some effects in some studies (Christensen et al. 2018). Educational background often shapes common identities, goals and opinions and is often directly related to civil servants' tasks. Lawyers, for example, pay more attention to rule-of-law, while economists are more concerned with efficiency. The importance of educational background is related to the traditional divide in the ministries between professional and

political arguments and concerns, and to the fact that academic background is a legitimate recruitment criterion.

Despite an increasing number of women in central government, gender does not seem to have a broad, systematic, or significant effect on attitudes and behaviour in the central civil service in Norway, even if gender affects some role perceptions and contact patterns (Christensen and Lægreid 2012). This is rather surprising given that other studies indicate that passive representation of women influences active representation (Wilkin and Keiser 2004, Park 2012). It is also surprising given the cluster argument that the proportion of specific background factors matters (Selden 1997), but the evidence of the critical mass argument (Moss Kanter 1993) is mixed in the literature on representative bureaucracy (Meier 2019). This might be linked to heterogeneity in goals, priorities, and identities among women, connected to loose coupling between identity, values, and standpoints, to multiple identities and the problem of intersectionality, to self-selection of women into positions in the bureaucracy, to a loose coupling between female civil servants' tasks and role behaviour and their identity as women; and to organisational constraints – or a combination of such links. There might be a loose coupling between representativeness on the one hand and responsiveness and performance on the other hand (Park 2012). There might also be an indirect effect, meaning that gender affects educational choices and experiences, and these educational choices might, in turn, affect their bureaucratic behaviour.

Interpretations of evidence about the relationship between gender and policy preferences differ internationally (Wise 2003). Some – mainly U.S. – studies that do not focus on central government institutions, find that gender influences bureaucratic behaviour (Riccucci and van Ryzin 2016, Meier and Nicholson-Crotty 2006). In the U.S., public administration ethnicity and race are also influencing factors (Selden 1997). Overall, however, scholars have found mixed support for the argument that passive representation does in fact lead to active representation (Meier and Capers 2012, Gravier 2013). Especially in central government where civil servants are rather remote from their parental background and primary processes of socialisation, they seem to be less influenced by their social and geographical origin than by the educational qualifications and organisational role models they adopted later (Schröter and von Maravic 2012).

Analyses of replicated surveys to civil servants in central government in 1986, 1996, 2006 and 2016 show a robust pattern. These studies have examined actual bureaucratic behaviour such as tasks, contact, participation and interaction patterns, information exchange, use of ICT, rule-based behaviour and role activity. In addition, the studies have included the perceptions of and attitudes

to administrative reforms, ethical guidelines, professional, political and user signals, competences, coordination, identity, mutual trust relations, accountability, conflict and crisis management capacity, and the balance between individual rights and societal security (Christensen and Lægreid 2008a, 2008b, 2009, 2010, 2011a, 2011b, 2018; Christensen, Fimreite and Lægreid 2011; Christensen, Lægreid and Rykkja 2019).

The importance of structural factors relative to demographic factors has also been shown in publications synthesizing this research (Christensen et al. 2018, Egeberg 2012), as well as in deep analyses of specific policy areas, such as the petroleum sector, but also related to Europeanisation (Egeberg and Trondal 2018) and administrative reforms. Patterns of governance cannot be adequately understood without including organisational factors (Egeberg, Gornitzka and Trondal 2016). One reason for this might be that there is a loose coupling between early socialisation, experience, and policy disputes in the central government (cf. Selden 1997). Studying the interaction between politicians and administrators in Norwegian municipalities, Jacobsen (2006) found that the interaction between them is mainly a function of the position politicians and administrators have within the formal structure and that demographic factors are of less importance.

In the 2016 survey, the central civil servants were asked what factors they thought were most important for understanding their priorities and actions in their own work situation. This method of self-assessment confirmed previous findings of the relative importance of background factors in relation to organisational features for the bureaucrats' perceptions and actions regarding the rather limited importance of demographic factors and the strong importance of structural factors (Egeberg and Stigen 2018).

DISCUSSION

The Norwegian study reveals that the major factor for understanding the bureaucrats' decisions, actions and priorities is their own position or organisational location. Own previous work experience matters, and most civil servants have a long history within ministries and central agencies. Overall, there is a governmental labour market. This also means that civil servants' internal bureaucratic career counts when it comes to understanding their attitudes, role behaviours and standpoints (Christensen and Lægreid 2009). In addition, academic background matters and social background are not seen as very important.

Overall, the conclusion is first, that "where you stand depends on where you sit" more than on "where you come from". Second, early socialisation

(age, geography, gender) is less significant than late socialisation (academic background and work experience) (Christensen and Lægreid 2009). Central government institutions have a great potential to shape and influence civil servants. In general, civil servants are not advocates for the societal groups they come from (Egeberg 1995), but they tend to defend the organisations in which they work. They are "key players on different teams" (Lægreid and Olsen 1984).

Studies of representative bureaucracy tend to show that the type of bureaucracy matters. Active representation is rather at play among street-level bureaucrats that have direct contact to their clients (Maynard-Moody and Musheno 2003), while bureaucracy that are more remote from clients and deals with more technical issues such as central agencies and ministries are less prone to active representation due to their organisational characteristics. Thus, in this sense our findings confirm both approaches to bureaucracy.

Despite the extensive literature on representative bureaucracy, bureaucracies are not especially representative (Meier at al. 2018), as shown in this chapter. Regarding passive representation, the Norwegian central government apparatus is not a representative bureaucracy, except for gender. The parents of central civil servants generally belong to an educational elite with a strong bias towards the public sector. The capital area and people with university degrees are overrepresented. Overall, civil servants in central government are a distinctive group with certain features among the elites in Norwegian society.

Second, one sees both stability and change regarding the demographic profile over time. The social and geographical bias has remained rather stable. The most significant change has been related to gender and educational background. Over the past forty years, there has been a radical female change in the composition of the central government. Regarding educational qualifications, there has been a strong increase in the share of social scientists in the ministries at the expense of employees educated in law.

Third, when controlling for organisational features, social background has only minor effects on civil servants' perceptions, standpoints, and actions at work. Despite a major increase in women in central government, it is unusual to find strong systematic and significant differences between women and men in their daily work as central bureaucrats, including contacts and role perceptions. The only exception to this pattern is education. One finds significant variations between civil servants with different academic backgrounds regarding most dependent variables in the surveys.

Revisiting the theories of representative and responsible bureaucracy, representative bureaucracy is not supported to any great extent in the Norwegian case of central bureaucracy. It mainly belongs to the category of high political representation and low representative bureaucracy (Maravic and Peters 2012).

First, the civil service is not representative of the population, which is not surprising giving the skills and profiles that are needed in central government organisations. Passive representation is largely not fulfilled, and the social and geographical bias has remained stable over time. The only feature that has become more representative over time is gender composition, but the influx of women also represents an increase in elite features regarding educational background. This pattern shows a tendency to social reproduction, which raises the question of the openness of the Norwegian central bureaucracy to social groups with lower middle class and working-class backgrounds and with less education.

Second, the main principle of recruitment is not based on gender or on political affiliation or sympathy, even if there is some support for considering gender equality more. The dominant recruitment principle is merit-based, which does not necessarily promote greater representation within the civil service (Peters 2012). Advances in representativeness happen more because of the dynamics of society than as result of explicit changes in recruitment procedures. The implication of this is that bureaucratic representativeness is a question of equal access to education (von Maravic and Peters 2012). Thus, the social profile of bureaucrats tends to reflect the middle-class bias in higher education.

Third, there is little support for active representation, meaning a tight coupling between similarity aspects and substantial aspects of representation. Even if there are some indications that background factors such as gender might affect the attitudes and behaviour of bureaucrats in similar organisational settings, social background has relatively little systematic and significant effect on bureaucrats' perceptions and actions in their work situation (Christensen and Lægreid 2009).

Regarding the theory of responsible bureaucracy: merit, academic background, and work experience are the main recruitment principles in the central civil service. Second, bureaucrats have a long tenure and career within the central bureaucracy and move within a public sector labour market. Third, the most important factors for explaining variations in the civil servants' behaviour are their positions in the organisational structure, such as organisational affiliation, hierarchical position, and tasks. This pattern has remained robust over time (Christensen et al. 2018) and illustrates that all representation is channelled within formal structures (Meier and Morton 2012).

Summing up, the pattern observed leans more towards what could be expected from a responsible bureaucracy than from a representative bureaucracy. Organisational socialisation, discipline and control seem to be more important than pre-entry socialisation, except for educational background. However, it is also important to consider that the two models under certain

circumstances might supplement each other and that in practice one faces "organisations with people and people with organisations" (Lægreid and Olsen 1978). The relationship between passive and active representation might be interacting with other variables (Meier 2019), especially organisational features. Under specific conditions, bureaucracy can represent some groups on some issues, but generally, central government bureaucracies tend to squeeze out the representation of values that do not relate directly to tasks and organisational mission (Keiser et al. 2002, Meier et al. 2019).

CONCLUSION

This analysis adds to the literature of representative and responsible bureaucracy in five ways. First, it gives a comprehensive empirical description of the demographic changes and stability in a central government of a representative democracy based on a set of unique, substantial, longitudinal survey data over 40 years. Second, it shows a general stability over time of the derivation of civil servants from families with higher educated families in the capital area but change in the profile of their gender background and academic qualifications. Third, it shows that despite significant increase in the ratio of female civil servants over time, female civil servants do not differ significantly from men regarding their attitudes and behaviour as civil servants. Fourth, the perceptions and behaviour of civil servants in central government can be better understood from a theory of responsible bureaucracy than from a theory of representative bureaucracy. Fifth, rather than seeing representative and responsible theory as alternative approaches, we need to treat them as converging and showing similar properties of bureaucracy, implying the need to specify what kind of bureaucracies that are under examination. Finally, it shows that contextual features must be considered. The chapter mirrors the challenges of representative bureaucracy in central government systems in the Northern part of Europe with a professional merit-based system in a rather homogeneous society.

In the sector and institution-based recruitment system in Norwegian central government, changes in administrative behaviour through recruitment are related to choices between applicants with different academic backgrounds. People with different educational qualifications have different competences and skills and different views on what are appropriate problems and solutions (Christensen et al. 2018). The possibility to influence perceptions and behaviour among civil servants through recruitment of other groups is more limited. Compared with many other European countries, the civil service in Norway is not very politicised, in the sense of politically based recruitment to permanent positions (Greve, Rykkja and Lægreid 2016). Nor-

mally, political executives respect the professional expertise of bureaucrats in central government.

There are few tracks to positions in central government, in the sense of political affiliation or gender reducing the importance of academic background, qualifications and merit. Neither are there many detours, such as allowing work experience outside the public bureaucracy to replace formal education. The normal career for bureaucrats in central government is via higher education and a long internal career within the government apparatus based on merit-based recruitment. This might in fact enhance good government, since countries with merit-recruited civil servants tend to perform better than in bureaucracies where they owe their posts to political connections (Dahlstrøm and Lapuente 2017).

That said, it is also important to underline that even if the effect on perceptions and behaviours might be weak, there might be other reasons for having a recruitment pattern that mirrors the demographic profile of citizens. Symbolic representativeness and more open, inclusive, and diverse recruitment process might be a contribution to a general process of democratisation and to increasing the legitimacy, acceptance and trust of government and public policy in the population (Selden, Brudeny and Kellough 1998, Riccucci et al. 2018). Therefore, the symbolic aspect of representation is important and might be a sign of social equality, status and acceptance. Thus, a passive representative bureaucracy itself might improve outcomes by influencing the attitudes and behaviour of clients and users, regardless of bureaucratic actions (Riccucci and van Ryzin 2017) but it is also limits symbolic representation (Headley, Wright and Meier 2021).

A core lesson inspired by this chapter is that comparative research over time, across organisational settings, across demographic and structural features, but also across administrative levels and countries, is necessary to move the literature on representative bureaucracy forward. Contextual features, such as how homogenous the society is, national culture, administrative traditions and reforms, environmental features, type of bureaucracy, organisational structure and career are crucial for understanding the relationship between individual and structural factors and how civil servants act at work. Organisation-specific factors seem to be especially crucial for understanding the opportunities and constraints of representative bureaucracies. Representativeness works differently in different contexts (Andrew et al. 2015), which can both enable and curb active representation. A main challenge for future research is the need for further development of how theory and practice can tackle the context-specific areas.

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CHAPTER 19

Searching for patterns of innovative public service delivery: Institutional design in Finnish public administration

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ABSTRACT

The aim of this chapter is to study institutional design in collaborative innovation processes in Finnish public administration. Using a multiple case study approach, we examine five collaborative innovation processes based on a co-design method. We formulate our understanding of institutional prerequisites by examining the goal of collaborative innovation programmes, collaborative innovation stakeholders (who), the scope of co-production (how and when) and the systemic adaptability of institutional design as a way to identify patterns across cases. The results emphasize the importance of systemic adaptability. Despite this, public organisations seem to be guided by systemic limitations, thus hindering the potential for collaborative innovation.

Keywords: collaborative innovation, co-creation, institutional design, systemic adaptability, Finnish public administration.

INTRODUCTION

Collaboration is a prominent feature of public sector innovation and has gained increasing academic attention (Hartley et al. 2011; Torfing 2018). Yet, despite the promising prospects of various conceptualisations and methods, public sector organisations still struggle to make collaborative innovation processes work (cf. Tuurnas et al., 2019). Consequently, there is a need to investigate the actors involved to better understand the dynamics of collaborative innovation processes in specific local institutional contexts.

Our study is based on an analytical framework connecting collaborative innovation literature with the idea of *systemic adaptability* of institutional design in "collaborative arenas" (Torfing 2018; Virtanen & Kaivo-oja 2015; Walker et al. 2015). In line with Torfing (2018), we argue that the adaptability of institutional design, in the form of rules, norms, procedures, and routines, has a great impact on the dynamics of collaborative innovation processes and their outcomes. In particular, they determine *who* collaborates, *how* they collaborate, and *where* the collaboration takes place (p. 7; see also March & Olsen, 1989). Against this backdrop, the research task is to trace patterns in institutional design that can explain the outcomes of collaborative innovation processes. We empirically analyse five Finnish cases of collaborative innovation by identifying patterns from an institutional perspective. We examine elements that may support or hinder innovation processes in specific contexts and reflect on these elements against the systemic adaptability (or lack thereof) of the institutional design. Focus-

ing specifically on systemic adaptability and the role of different local and national public actors, we ask:

How can public organisations support collaborative innovation through institutional design?

We build on Jacobsen et al.'s (2020, p. 16) findings from the telecommunication sector: implementing a structure characterised by decentralisation, autonomy, and task variation will in itself induce innovation, this says that structures and deliberative design do matter in the search for successful innovation processes. As will be demonstrated in the results of the chapter, this is also an important concept and holds true for this study.

CONCEPTUAL BACKDROP

Innovation in the public sector is a relatively novel area of research that has been pursued internationally since the turn of the millennium (Moore & Harley, 2008). As in the management of collaborative innovation, public-sector leaders (politicians and managers) often need to consider various actors and conflicting demands during the innovation processes (Aggers & Sørensen, 2018; Walker, 2013). This basic premise can be seen as a hindrance, but it can also be harnessed as an asset for innovations, especially in the public sector, which intrinsically includes a variety of actors (Moore & Hartley, 2008).

In line with formerly mentioned concepts emphasizing the openness of innovation processes, the concept of *collaborative innovation* underlines the multi-actor nature of innovation processes, often used in the public sector context (Hartley et al., 2013; Torfing, 2018). In collaborative innovation processes, professionals from various organisations, politicians, citizens, private companies, and NGOs are integrated into the innovation process, ideally increasing the quality and quantity of services by contributing a wide variety of innovation assets. Collaboration changes the assessment and sharing of risks and benefits, as well as the commitment to the implementation of new solutions; it also helps mobilize resources and diffuse innovation. As a fuzzy concept, collaborative innovation can entail a variety of activities in different phases of public service delivery or policy formulation. Overall, one can conclude that collaborative innovation is a complex process that takes place at diverse points of public service delivery or the policy formulation chain (Sørensen & Torfing, 2011).

From an institutional perspective, collaboration may transform the norms and rules of public service organisations – innovation and change are overlapping phenomena (Osborne & Brown, 2005, p. 5). Value tensions and competing agendas are always present in collaborative processes, possibly hampering the innovation process. Indeed, change resistance and value conflicts can be

identified as two of the core dilemmas for collaborative innovations (Agger & Sørensen, 2018). Therefore, achieving successful outcomes requires the identification of barriers inside the organisation. This may mean both cultural and structural obstacles, such as complex organisational structures or accountability systems (Osborne & Brown, 2005).

The idea of systemic adaptability underlines the necessity of examining collaborative innovation processes in a holistic, systemic way. Having innovative managers, engaged staff members, or active external actors will not be sufficient to implement transformative changes – there is a need to focus on the overall logic of service organisations in relation to systems (Virtanen & Kaivo-oja, 2015). Virtanen and Kaivo-oja (2015) stated that in adaptive frameworks, governance ideally comprises partnerships, resilience practices, client-centred service delivery, embedded service systems, and new accountability definitions (p. 82).

ANALYTICAL FRAMEWORK

Our framework assumes that institutional support is needed to ensure a successful innovation process (Agger & Sørensen, 2018; Osborne & Brown, 2011). This argument highlights the importance of adaptability in the institutional design of collaborative innovation processes, such as commitment by top managers and politicians, participation by staff and adjusted legal and structural frameworks. Following the notions of collaborative innovation scholars (e.g., Hartley et al., 2013), we argue that collaboration dynamics, especially concerning the roles of collaborative actors alongside the inclusion of those actors *throughout* the innovation process, is a way to obtain effective outcomes. This notion is strongly present in the co-production literature as well (cf. Bovaird, 2007; Osborne & Strokosch, 2013; Verschuere et al. 2012). To answer our research question, we formed an analytical framework to examine our empirical cases based on four key aspects related to rationale, key actors, methods, and outcome:

1) *Case and goal of the programme (why)*
2) *Collaborative innovation actors (who)*
3) *The scope of co-production (how and when)*
4) *Systemic adaptability of the institutional design (as a way to explain outcomes)*

First, the case and goal set the basic premises underpinning the institutional design of collaborative innovation processes by clarifying the purpose for which the programme was planned and/or implemented. Second, by

examining the collaborative innovation process, we form an understanding of the key actors involved in the innovation process: *Who* has been invited to participate? Third, by examining the scope and methods of collaborative innovation, we can develop an understanding of the exact scope of collaboration, in which phases (*when*) of the service delivery chain the collaborative innovation took place and *how* they occurred. These aspects go beyond a simple description of the participating actors and the possible tensions within the process. Especially by examining what exactly has been done, we can help unpack innovation (see Fagerberg, 2005). Finally, by illustrating the systemic adaptability of institutional design, we can understand the meaning of systemic adaptability for the outcomes. When analysing the outcomes, we consider the systemic approach: outcomes are always emergent and defined in an interplay with multiple factors. We argue that these aspects, although by no means all-embracing, can help trace patterns that can explain the outcomes of collaborative innovation processes. Yet, we cannot say that the explanatory factors are extensive in all collaborative innovation cases due to the emergent nature of such processes.

CASE STUDY DESIGN

The study was inspired by a report for a multinational CoSie project (Co-creation of Service innovation in Europe, conducted by the authors, 2018, 15th March, for the CoSie project, see European Commission, 2020) concerning the state of the art of co-creation in the Finnish public sector. It identified relevant cases of collaborative innovation across governmental and sectoral levels in Finland and studied their legal frameworks, social outcomes, problems, and strong points. With these five cases, we were able to recognise elements arising across different levels of government and in different contexts. Furthermore, we did not select "good" and "bad" co-design cases. On the contrary, the cases selected were successful in some respects and less successful in others. In our view, this strategy allowed us to see a broader picture of medium co-design processes and may therefore offer more valid results for identifying patterns in those processes. The selected cases, seen as interventions, were used as data for the study. The data consist of official project documents, reports, evaluations, and interviews with key actors of the programmes. The nature of the analysis was descriptive content analysis, like the analytical framework presented above (why, who, how, and when) guided the analytical process. The material for the analysis was based on text excerpts that described the analytical interests of the study. All five cases were either finished or at a stage where a variety of reports was available. Naturally, the scope of analysis in the five cases offers

more breadth than depth. The cases can be considered instruments for analysing elements of collaborative innovation, but the analysis does not result in an in-depth analysis of each case.

As a nation, Finland is an interesting case, since Finnish public service provision is based on autonomous municipalities (Finnish constitution 11.6.1999/731 §121). Municipalities have autonomous positions and can voluntarily organise tasks related to the quality of residential environments, employment enhancement and regional competitiveness. Despite the national contextualisation, the analysis can also offer valuable findings to other country contexts, since the scope of analysis and the results emphasise the collaborative process existing between various actors, rather than elements typical of the Finnish public sector as a system.

Overall, the research design relies on a multiple case study. Chmiliar (2012) explained that multiple case studies are selected to "develop a better understanding of the issue or to theorize about a broader context" (p. 2). By using a multiple case study approach, we were able to examine the processes and outcomes of different cases in various contexts and conditions. The approach is intended to create general categories that highlight the various conditions for collaborative innovations as well as to help identify patterns that may explain the outcomes (Chmiliar, 2012). We started our research with an explorative grand tour question (Creswell, 2003): What makes co-design processes succeed or fail? From there, we moved towards the formation of a structured theoretical framework to analyse the data and established a detailed, descriptive analysis of context, actors, and institutional elements. As is typical of descriptive studies, we sought to reveal patterns and connections linked to the theoretical framework (Tobin, 2010).

PUBLIC SERVICE DELIVERY AND CITIZEN COLLABORATION IN FINLAND

Finnish public service provision has relied extensively on autonomous municipalities protected by the Finnish Constitution (11.6.1999/731 §121). The legitimation of autonomous municipalities is based on citizen participation and democracy (Haveri & Airaksinen, 2011). The municipalities have fostered collaborative initiatives and have played a major role in introducing different participatory and citizen engagement practices. Consequently, these programmes are numerous and widely dispersed (Jäppinen, 2011).

As for the key legislation, the Finnish Constitution obliges public authorities to foster opportunities for individuals to participate in societal activities and influence decisions that concern them (11.6.1999/731 §14). Moreover, the Local

Government Act (410/2015) can be seen as a cornerstone of co-production programmes, especially at the local level. Citizen participation is at the core of multiple sectoral acts of parliament that have been renewed (e.g., Social Welfare Act, 2014). Moreover, the importance of co-design in the Finnish public sector has grown over the last decade as part of the service design paradigm. A key driver for the co-design of service innovations was the Design Finland programme implemented by the Ministry of Economic Affairs and Employment in 2003. A recent interim review noted that government at both the national and local levels has enhanced and increased service design and experimental activities since the launch of the programme. As a general guideline, the Design Finland programme (Oosi et al., 2017) defined design as comprehensive planning and implementation that arises from the needs and values of the user (p. 13). Finally, it is clear that service design attracts increasing attention at the different levels and in the various fields of public administration, such as social services and health care (Jäppinen, 2011).

CASES OF INNOVATIVE AND COLLABORATIVE SERVICE DELIVERY

CASE 1. SERVICE DESIGN WITH RISK GROUPS IN SOCIAL AND HEALTH CARE – NATIONAL PROGRAMME

The aim of the Ministry of Social Affairs and Health-funded project was to increase the participation, health, and well-being of recognized risk groups, such as substance abusers and mental health patients, by co-designing new service models to develop services in the regions of Southwest Finland and Satakunta. It had previously been determined that the services provided for the risk groups in question did not fully meet the needs of the users. The first phase of the project took place in 2013–2015 and was part of a national programme targeting the development of social and health care (KASTE programme, 2012–2016). The second phase of the project started in 2015 and continued until the end of 2016.

In this case, service design was carried out through user boards, service mapping, and individual interviews. Service users also helped evaluate the service models developed. There were also instances of experimental pairs working between social and health care professionals and citizens as experts-by-experience to offer more help for the service users. There were two phases in the project: *the development of new models* and *the integration of those models* into everyday practices to further develop the service models. The responsibility for the different aspects of implementation was shared between different regional/municipality units and actors. The approach led to the creation of sub-projects

focused on specific tasks under the umbrella of the larger project (Ahola & Vaionio, 2015).

The outcomes suggest that collaborative innovation was hindered by institutional settings, especially sectoral barriers between social and healthcare, which meant the programme had only limited opportunity to make tangible changes to the service system. Moreover, the implementation of the project results and ownership was problematic because it was not always clear who owned the development process. The project reports noted resistance to change, since it was not always clear to personnel or managers how the development activities were connected to their other work duties.

Also, the evaluation of the project outcomes was challenging; the target groups had multiple needs that did not follow the organisational or sectoral boundaries and were sometimes visible only in the long run. Then again, the role of the experts-by-experience was highlighted in the project reports and documents. The experts themselves were content that they had opportunities to be heard. Finally, although the service design process was conducted to encourage participation, neither the service users nor the experts-by-experience were involved in the service design process as intensively as service design thinking would have liked to encourage (Häyhtiö, 2015). The vocabulary and the general approach of the service design proved to be difficult in the context of mental health and substance abuse work (Ahola & Vaionio, 2015; Hogman & Tervo 2015; Häyhtiö 2015).

This case illustrates the challenges associated with collaboration parties in terms of ownership of the process.

CASE 2. LICENSING AND SUPERVISION

The case of licensing and supervision was conducted as a key project of Prime Minister Juha Sipilä's Government Programme (2015–2019). It emphasises the digitalisation of public services and aims to ease the licensing processes in different policy sectors. The simplification of licence processes and the principle of a one-stop-shop can have significant multiplicative effects on entrepreneurial activity. As noted in the project reports (Jantunen et al., 2017), licensing, and supervision activities took considerable time away (from the project) and could be directed to other duties. As explained in the project report (Solita, 2017), the selection of the pilot projects involved discussions with authorities and service user companies. In the pilot projects, there were co-design workshops aiming to build ideal service paths. These results were also used in another workshop with ministerial authorities. Finally, a service blueprint was created illustrating the ideal service paths for service users as

well as the common procedures to be implemented by different agencies. In the second phase of the programme, three projects were implemented based on the service paths created. These three projects dealt with registering and supervising a social and healthcare sector company (a new or existing one), the supervision of a mining company, and the development of licensing and supervision of the service unity of foods, primary production, and agricultural companies (Jantunen et al. 2017; Solita, 2017).

The programme process was evaluated step-by-step. The different phases of the project were used to measure the quantitative and qualitative outcomes of the programme. By Spring 2018, the programme produced detailed reports on the three pilot projects. The programme revealed that there was a genuine interest in co-design among the different public authorities. Thus, the cultural environment and attitudes supported collaborative innovation.

The biggest obstacles to the implementation of the service design models were related to cross-sectoral cooperation. For instance, in the case of service design in agriculture, food production, and the development of the countryside, one ministry (in this case, the Ministry of Agriculture and Forestry) possessed substantial knowledge of policies, but multiple other institutions were connected to the licensing and supervision of this particular field. Those institutions include the Agency for Rural Affairs, regional Centres for Economic Development, Transport, and the Environment, the Finnish Food Safety Authority, and individual municipalities. Moreover, there were several institutions steering the activities of those institutions. This creates a challenging situation for implementing user-oriented service systems from a legal perspective, not to mention from a cultural perspective (Jantunen et al., 2017; telephone interview with a civil servant, 2018).

This case highlights the challenges related to steering mechanisms in complex organisational settings.

CASE 3. CITIZEN-DRIVEN DEVELOPMENT IN LOCAL SERVICE REFORM: CO-DESIGNING THE "MAY I HELP YOU?" CONCEPT

The "May I help you?" programme was carried out by the federation of Kainuu region municipalities in cooperation with the Association of Finnish Local and Regional Authorities. In addition, the project was funded by the Finnish Federation for Social Affairs and Health. The aim of the programme was to develop citizen participation into a systematic tool for renewing social and healthcare services and for creating new kinds of services with local residents. Service design was at the heart of the project and guided the implementation from start to finish. Another goal was to discover new roles for local governments (as a

source for the well-being of their residents) at the threshold of local government reform. The pilot project took place in two phases between 2014 and 2017.

The process included testing and the realisation of a concept that was planned to be co-designed. Here, process participants identified service needs and the problems related to them. The initial outcome was several solutions to the problems identified through the co-creation process. The second phase's results led to dozens of different service concepts being co-created by the participants. Ultimately, the decision makers chose one concept for implementation (Association of Finnish Local and Regional Authorities, 2017).

Citizens had several roles in the project, including co-implementers, co-designers, and co-initiators. The strengths of the programme rested in the systematic and careful implementation of the co-design process. The concrete outcome of the co-creation project was a new concept called "May I help?". The concept aims to improve social skills and the ability to work among youths, especially those at risk of being marginalized. It was also intended to improve the well-being of disadvantaged local residents, the young, the old, and marginalized people. The concept developed was based on community engagement and was planned to complement public services by utilising resources from different actors: the residents, the municipality and non-governmental organisations. The co-created concept can be summarised as an empowering easy-access model whereby local youth offer help to the elderly in performing everyday tasks, such as picking up the post or carrying groceries (Jäppinen & Kulju, 2017).

There were some shortcomings identified in the project. There was insufficient awareness of the project among some actors in different parts of the municipal decision-making process (cf. Heikkinen, 2016). This may not be an obstacle in the first phases of service design, where other issues, such as recruiting engaged participants, are more important. However, a broad awareness of the project is vital for the maintenance and development of the model. The project encountered challenges, with citizens and communities being unwilling to take charge of the implementation of the model. Despite the community-driven approach, public actors often remained the main coordinators (see Heikkinen, 2016; Klemelä, 2017).

This case illustrates the importance of engaging actors in collaborative innovation processes with a broad scope.

CASE 4. ACCELERATED CO-CREATION BY SCHOOLS AND COMPANIES – THE KYKY LIVING LAB

The programme started with a joint vision of politicians and civil servants in the city of Espoo to identify new forms of collaboration to enhance services and business opportunities. This operating model designed in the programme focuses on school-private sector interaction, searching for products, services, applications, and technologies that promote learning and growth in interaction with companies and communities (Sutinen et al. 2016). The model is based on a co-design enacted between pupils and teachers (school) and entrepreneurs and communities. The project development phase occurred in 2015–2016, and it has now become an established model in the city. The operating model is based on the foundations of the new national curriculum formulated by the Agency for Education, which promotes entrepreneurial skills, digitalisation, and participation.

The initial project aimed to model the processes, test the practices, and accelerate the development of the KYKY Living Lab. The outcome was project members creating rules, guidelines, and, eventually, a model for co-creation. The project's final product was a manual created by the Laurea University of Applied Sciences (Sutinen et al., 2016). The roles of the different actors involved in the co-creation process were as follows. The actors in the school community (pupils, teachers, principals, parents/guardians) were offered the opportunity to outline their developmental needs and notify the Living Lab actors. A web based KYKY platform offered the companies (and the communities) the option to express their interest by registering themselves on the forum. The companies were responsible for their own product development. Espoo's Finnish education unit helped the Living Lab actors by giving them guidance, instructions, and a platform. The unit also monitored the activities (see City of Espoo; Hagman, 2017). The pupils and teachers could participate in all phases of the co-creation process, but as the manual for the living lab suggests (cf. Sutinen et al., 2016), the degree and phase of co-design and co-creation are dependent on each individual product development project.

The Living Lab model has provoked interest among national and international audiences due to its pioneering nature. For instance, the operating model was awarded a Quality Innovation Award in 2017. There is a goal to spread the co-creation model to other sectors of the city. According to an interview with a project expert, there were some difficulties in the implementation of the project, especially at the beginning. The challenges were linked to limited options to inform the schools and actors about the model, which was the result of a shortage of resources. The information shortcomings caused some confusion, misunderstanding, and doubt about the motives and aims

of the project in the school sphere. There was distrust among some teachers, with some asking: Why should schools be involved in the development of private companies' innovations? There were also some more mundane obstacles from the schools' side, such as introducing the required meetings into school schedules.

This case exemplifies the importance of careful planning and the definition of the roles for actors involved in collaborative innovation processes.

CASE 5. PARTICIPATORY BUDGETING IN THE PROJECT TESOMA – SMART COMMUNITY BY THE CITIZENS

This participatory budgeting project (2014–2015) was part of a wider neighbourhood development project, "Tesoma – Smart Community by the Citizens", which targeted increasing participation using public and private spaces in innovative ways and creating a safer and more pleasant environment in the area. The project was funded by the city of Tampere, the council of the Tampere region and the Housing Finance and Development Centre of Finland (see City of Tampere, 2017).

Under Finnish legislation, participatory budgeting is only consultative from the resident/citizen side, thus the participants were given consultative statement rights that did not bind decision-makers. In the case of participatory budgeting, conditions based on laws and norms were specified. Moreover, the targets for participatory budgeting were limited and predefined by the city of Tampere (Koivumäki, 2015). The theme for the participatory budgeting was the development of the residential environment around the lakeside located in the area and the creation of a new living room, or a meeting point for residents and communities in the shopping centre (under construction during the project). The plan was to co-design an easy access point for residents and service users with different needs.

There was a variety of attempts to reach citizens, such as launching a survey (online and on paper). Here, local communities and NGOs acted as mediators, informing their own groups about the project and the opportunity to participate. There were also workshops creating resident profiles and other co-design activities, such as guided walking tours, where residents could make observations and talk to civil servants about their wishes concerning the area (Häikiö et al., 2016; Koivumäki, 2015).

As for outcomes, the participatory budgeting process for the living room/meeting point encountered problems, since the construction of the shopping centre (where the living room was planned to be located) was delayed due to residents' complaints. Therefore, things did not progress as planned, and the

project was not completed. Nevertheless, the participatory budgeting process concerning the residential area development on the lakeside was carried out (Häikiö et al., 2016).

The obstacles reported included some encounters between the civil servants and residents about the extent to which the lakeside area should be developed. The questions from the civil servants' point of view focused on equality at the city level of planning (compared to neighbourhood level) and strategies as guiding powers, whereas the residents' questions focused on equality at the residential level. As Häikiö et al. (2016) noted, it is difficult to connect this kind of resident-driven planning process with wider decision-making processes, since this would require practices that extend beyond individual projects (p. 13; Koivumäki, 2015). Representativeness is another challenging issue that often arises in participatory budgeting, as pointed out by the civil servants interviewed (Hurme, 2017). The low level of participation was identified as a problem, especially among groups such as young people or families with small children, and their viewpoints could not be adequately represented in the process.

The case highlights the systemic nature of collaborative innovation in the public sector, since they also need to be designed to fit the wider decision-making processes.

TABLE 19.1: Key findings of the five case studies

	Context and Goal (Why)	**Collaborative Innovation Actors (Who)**	**Scope of Co-production (Process: How and When)**	**Systemic Adaptability and Outcomes**
Case 1. Social and health-care	Regional programme funded by The Ministry of Social Affairs and Health Increase participation, health, and well-being of the recognized risk groups by developing services in the social and healthcare sectors	Recognized need to develop services, initiated by project members Service users as experts-by-experience, different professionals from the field of social and health care	Pair working between professionals and citizens as experts-by-experience, service design with users through workshops, interviews	Limited options to make meaningful changes in the service system due to social and health traditions and sectoral barriers "Difficult" target groups to invite to co-design due to the language of the co-design process Pair working possible – with successful outcomes from both professional and citizens' perspectives

	Context and Goal (Why)	Collaborative Innovation Actors (Who)	Scope of Co-production (Process: How and When)	Systemic Adaptability and Outcomes
Case 2. Licensing and supervision	A key programme of government; improving the licensing processes in different policy sectors by digitalization of public services	Inclusion of different actors using licensing services and supervision (e.g., agriculture, industry, and food industry) various representatives of state agencies	Selection of pilots based on interviews with actors Customers as co-designers from definition of the pilot to co-design of "one-stop-shop" various representatives of state agencies Co-design by service paths, a service blueprint as an outcome	Legal constraints to developing a customer-centred model and complex organisational structures to change Authoritative culture in ministries, but also strong mandate from prime minister and genuine interest in co-codesign among the various public authorities.
Case 3. "May I help you" concept	Local and regional government context; several funding bodies: developing citizen participation into a systematic tool for renewing social and health care services and creating new kinds of services together with local residents	Politicians, civil servants, companies and different NGOs and parishes, national association for municipalities, university	Citizens had several roles as co-implementers, co-designers, and co-initiators; the systematic co-design process included steps of discovery, creation, reality check, and implementation	The lack of willingness to conduct leadership by the (non-public) actors involved to take charge of the implementation → traditional idea of responsibilities between government and society Systematic and careful implementation of the co-design process led to an actual outcome (the concept).
Case 4. KYKY platform in schools	National curricula, regional and city-level strategies: initiated by politicians and civil servants of the city: aim to create novel learning practices and pedagogics for schools, competitive benefits for companies and products are guided by the value experienced by the service	School actors (pupils, teachers, and parents) and companies as initiators of new ideas, companies as potential realizers of those ideas and educational unit of the city as monitoring and guiding party	Co-design between pupils and teachers (school) and entrepreneurs and communities; living labs for product development and testing as co-design	Limits of school curricula and space for spontaneous activities in school days, but also commitment of various actors, such as politicians and civil servants, to the process, leading to an award-winning concept A win-win approach to the model is clearly stated and understandable for all actors.

	Context and Goal (Why)	Collaborative Innovation Actors (Who)	Scope of Co-production (Process: How and When)	Systemic Adaptability and Outcomes
Case 5. Tesoma participatory budgeting	Local government context, part of a wider development programme for the area: Development of the residential environment and co-design of a new "living room", or a meeting point for residents and communities as a part of a wider-scale neighbourhood development programme	Residents as co-designers, the targets predefined by the city	Participatory budgeting process, including workshops, guided walking tours, methods such as development of resident profiles and co-creation of weekly schedules for the planned meeting point	Limited options for the project managers to influence external issues, such as the delay of construction works Legal limitations of Finnish legislation: Only possibilities for consultative participatory budgeting. Difficulty connecting resident-driven planning processes to wider decision-making processes, as that would require practices that extend beyond individual projects. The possibility of affecting the planning process was viewed positively by the residents, and one part of the project produced a concrete result.

KEY FINDINGS

Our research task was to trace and analyse patterns in institutional design that could explain the outcomes of collaborative innovation processes. This chapter illustrates the key features of each case (goals, context, actors, process, and outcomes), after which we analyse the data in terms of purpose, actors, scope of activities, and system, as formulated in the theoretical framework. Focusing especially on systemic adaptability, we investigated how public organisations could support collaborative innovation through institutional design. Here, we analysed the cases through (1) the dynamics of the process (who took part, how, and when) and (2) the institutional design of the cases and systemic adaptability (why and with which outcomes) to trace shared patterns across the cases.

Examining the cases from the perspective of their collaborative assets (Sørensen & Torfing, 2011) revealed that a variety of actors were included in all of the processes, which is natural in cases of collaborative innovation. Both citizens (service users, customers, pupils, residents, experts-by-experience) and professionals (authorities, civil servants, staff) participated in all five cases; private companies and NGOs participated in three cases. However, politicians

as core actors were mentioned in only two cases: those of the school living lab and the regional co-design model in Kainuu. This is noteworthy and reflects some other findings concerning the relatively small role of politicians in collaborative processes in the Finnish context (see Tuurnas et al., 2019). Overall, based on the cases examined, one can say that the emphasis was on the first steps of the innovation process in seeking weak points in service delivery chains and identifying points for development. One should also note that none of the selected cases was initiated by citizens, but the approach was top-down in all cases. Moreover, the core steps of the development process were mostly implemented by public authorities.

As for the institutional settings concerning legal and structural factors, both driving and hindering elements were discovered. This indicates that there are various formations of collaborative innovation at the local level, but these have not yet necessarily reached institutional norms and rules at the national level. Overall, the national policies and legal frameworks seem to play a bidirectional role in supporting collaborative innovation. Although the legal frameworks do not necessarily drive change, the national-level policies still steer all the projects examined. The drivers came from national and governmental programmes: Prime Minister Juha Sipilä's Government Programme, the Design Finland programme, the National KASTE programme for the development of social and health care, Finland's structural fund programme for sustainable growth and jobs 2014–2020 and the National Curricula. In addition, the local programmes (Cases 3 and 5) were connected to wider-scale development schemes. Based on the content of the projects, it appears that they were at least given a mandate and financial incentives to develop the project ideas aimed at collaborative innovations. The biggest institutional hurdles seemed to be sectoral barriers with complex steering structures and cultural traditions for not crossing sectoral limits.

CONCLUSION

In this chapter, we posed the question: *How can public organisations support collaborative innovation through institutional design?* Based on our findings, the structures and processes of public organisations will naturally not remove other barriers, such as those related to legal, structural, or cultural challenges, but they will certainly help support collaborative innovation. Concerning the dynamics of the processes examined, we can conclude that public organisations utilise novel methods to advance collaborative innovation, such as co-design, and that a variety of actors have been invited to contribute to various phases of innovation processes. As Jacobsen et al. (2020) stated, the structures and

processes themselves have an implication to innovation process. Thus, this study also encourages researchers in Scandinavia and beyond to study the impact of design and structure to innovation. Models and methodologies are vital for implementing collaborative innovation processes, since they help the facilitating actors overcome some basic questions related to collaborative processes, such as how to engage different actors in different phases of service processes, how to facilitate collaboration and how to stimulate the innovation potential among the participants.

This study highlights the importance of national programmes and legal frameworks as catalysts of innovation. Future research could study the extent to which these programmes define the contents and even outcomes of collaborative innovation processes. In the same way, the meaning of legal frameworks could be studied in the future. What kinds of legal drivers and restrictions can be found in collaborative innovation processes? In addition, comparative cross-national studies are needed to be able to differentiate the impact of structures, processes, and design from context-specific and policy-related factors as well as from local environment.

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