

Public-private partnerships in industrial structural change:

The case of shipyard closures in Sweden

Disasters create opportunities
as well as dangers.
Chinese proverb

1. Introduction¹

The structural problems that have hit most industrial sectors in western Europe over the past 15–20 years have given birth to two important features of industrial policies. One such feature is the decentralization of industrial policy: in part due to the fiscal crisis of the state, in part due to a conviction among state policy-makers that local mobilization of resources is the key to industrial renewal, local political bodies concerned with industrial policy matters have mushroomed.

The other recent industrial policy feature is the changing role of public actors, and more specifically the occurrence of public-private partnerships. Playing key roles in the formulation and implementation of public policy, these partnerships or "joint ventures" – sometimes highly institutionalized, sometimes operating as loosely integrated, informal networks – have developed into some of the most intriguing and salient actors within industrial policy.

We do not have a theory to account for these changes, at least not the latter. What are the political consequences of public-private interaction and interdependence? What is the actual role of public and private actors in the public-private partnerships, and what is the basic rationale of the ventures? To what extent have the partnerships affected the policy-making and implementation capacities of public bodies? And, turning to market efficiency, to what extent has the growing political presence on the market – potentially resulting in non-market considerations and allocations – affected the processes of structural change?² This article attempts to attack these general problems by looking at three cases of public-private partnerships in Sweden – the closures of three major shipyards and the bringing in of new industries. Thus, we have chosen to look into a sector of industrial decline to analyse the public-private partnerships and arrangements of interest mediation employed for the handling of severe politico-economic problems.

Needless to say, different approaches to industrial policy capture different features of public-private interdependence. Thus, the *political economy*-approach to industrial policy highlights the reciprocal processes between political actors' and market-actors' decisions and actions (Shonfield, 1965; Lindblom, 1977; Grant,

1982:3; Alt – Chrystal, 1983:ch 2; Cawson, 1982:ch 2; Zysman, 1983). The "neo-corporatism"-approach, on the other hand, portrays the social partnerships formulating and implementing public policy, as well as the interdependence between organized interests and policy-makers (Katzenstein, 1984:ch 1; Grant, 1985:10f; Schmitter, 1979; Underhill, 1988).

Public-private partnerships can stipulatively be defined as intermittent and quasi-institutionalized networks of public and private actors, created to enhance concerted actions (cf Peters, 1987; Fosler – Berger, 1982). Within Swedish industrial policy, this type of networks have been the key structure for the formulation and implementation of policies towards industrial structural problems, combining structural change with the accommodation of labor. The saliency of these two objectives depends on two major sets of factors: firstly, on the configuration of the governing political and social coalition – or what Lindblom refers to as the "grand majority" (Lindblom, 1977:233) – and secondly on the institutionalized patterns of interest mediation and cooperation within specific policy sectors (cf Atkinson – Coleman, 1989). Since the relationship between public policy and interest mediation in this particular context is unclear (cf Katzenstein, 1984), we need an approach that allows us to discuss the interaction between problems generated from within the political economy and neo-corporatist arrangements of interest mediation.

An approach with some potential to address these problems is the meso-corporatist theory of interest mediation. Mesocorporatist arrangements of interest mediation, it is assumed, are most likely to appear where public policy gives high priority to the sphere of production, and where there is a high degree of effective local government.³ All of these features are present in the Swedish political milieu. Here, the "grand majority" can be described as a Social Democratic, blue-collar union based constituency.⁴

This article approaches the process of industrial sector decline and termination from three different vantage points. First, *the role of the government during the processes of termination and industrial renewal* is analysed. Swedish industrial policy seeks to combine future-orientation with termination of declining industries under "socially acceptable forms"⁵, i.e. incubation of declining sectors is accompanied by market-conforming, future-oriented ventures.⁶

Secondly, the *public-private partnerships* through which the policy of termination was implemented are analyzed. Local unions acting in concert with governmental bodies and the local business community is a neat illustration of an advanced "negotiated economy" (cf Hernes, 1978).

Finally, the relationship between the government, municipalities, private capital, and the unions is put in the theoretical perspective of *meso-corporatism*: the objective here is to analyze the interest mediation arrangements at the local level employed in matters relating to core policy goals like full employment.

The article is outlined in the following way. Firstly, the three cases – three shipyard closures – are presented. Following this, the outcomes are evaluated and compared in terms of their industrial policy orientation, and the efficiency of the local networks implementing the policy. Finally, we return to the theoretical questions raised above and look at the role of the public-private partnerships during the processes of industrial renewal.

2. The empirical cases: closing down three shipyards

2.1 Toward a public policy of shipyard termination

Shipbuilding has a long tradition in Sweden. Along with mining and specialized steel, shipbuilding was the most important way of capitalizing on mineral resources and know-how. However, around 1975 the West European shipbuilding industry more or less collapsed. The contraction process begun already in the early 1950s, but culminated in most countries after 1975.⁷

For the Swedish shipyards, increasing wages was a serious problem. Capitalizing on cheap labor, Japanese and Korean shipyards produced oil-tankers and other ships at much lower prices than their Swedish competitors. Despite the introduction of advanced technology, reducing labor costs but also increasing capital costs, shipyards like Götaverken and Arendal in Göteborg found themselves losing market shares. The turning point in international and domestic oil-tanker demand was the 1973 international oil-crisis, giving ultimate evidence to the Swedish structural crisis.

The contraction process followed a three-step process. Firstly, private businesses themselves attempted to reduce labor and production to restore profit. During the second stage, these measures continued, but now with the aid of government subsidies. These subsidies, however, seems to have been provided the shipyards on an *ad hoc* basis, rather than as elements of a coherent policy. Thirdly, a policy toward the shipbuilding industry was developed.

Thus, the 1973 oil-crisis triggered the first attempts to formulate and implement a co-ordinated public policy toward the shipbuilding industry. The first phase – mainly a pre-policy phase, dated 1977–1978 – witnessed among other measures a change of the ownership structure. Most of the shipyards still in private hands were

nationalized. The consensus surrounding this decision is nicely illustrated by the fact that a non-socialist government signed the nationalization Bill. For a symbolic price, the government gained ownership through a state-owned shareholding company (Svenska Varv AB – SVAB), relieving former owners from the responsibility of finding new jobs for its labor and covering other expenditures in connection to the closure. Terminating individual shipyards – that was the general belief – should be easier if executed under state auspices. Furthermore, the government appointed a Commission to prepare a policy for the contraction process.

Facing the risk of continued decreasing competitiveness and effectiveness, and in order to stimulate the individual shipyards to reassess their production apparatus and labor, the government now also signaled that future subsidies were conditioned on reductions in production capacity.

The second phase – dating from 1978 to 1985 – saw the implementation of the policy. The government's long-term goal was to restore competitiveness and profit within the sector through further labor and production reductions. The government also supported SVAB's policy that the Swedish shipbuilding industry should show a profit no later than 1985. Consistent with the policy, measures were taken to support regions dependent on shipbuilding in order to anticipate the effects of a contraction. Subsidies included "regional policy support", research and development funding, venture capital for investment in high-risk sectors, and labor-market policy measures.⁸

In 1983, two major shipyards – Kockums and Uddevalla – received additional state subsidies, again provided they reduced their production capacity. This time, however, an exact figure for the contraction was given: Kockums should reduce their labor with 30 % (900 employees), Uddevalla with 20 % (400 employees). The two shipyards were also instructed to present plans on how their businesses should turn profitable no later than 1985 (Governmental Bill 1982/83:147).

The third phase began in 1985. Unable to turn their production profitable, the government started executing termination of the Kockums and Uddevalla shipyards, at the time the largest two in the country. Prior to that, however, another major shipyard had closed down: Öresundsvarvet in Landskrona.

These were, in brief, the important steps towards a policy of termination in the shipbuilding industry. We will now turn to the individual cases to see, how this policy was implemented at the local level, and how local networks were formed to create alternative job opportunities for the labor.

2.2 Öresundsvarvet

Öresundsvarvet (ÖV, in translation "The Öresund shipyard") is located in Landskrona, a town on the Swedish west-coast in the southern part of the country with a population of some 36 000 people. Landskrona's business sector is centered around heavy industry, within which ÖV played a dominating role, as employer and customer for a large number of subcontractors. When closing down, the shipyard counted 3 300 employees, most of which were blue-collar labor.

The Riksdag's decision to close the shipyard came as no surprise for the shipyard, nor for the municipality or the State County Administration.⁹ Already prior to the Riksdag's decision to close down ÖV the municipality has established *Landskrona Finans* (LAFI), a company owned jointly by Landskrona and a neighboring municipality, SVAB, a regional investment company and private interests. Of the 19 owners, 15 are private companies, controlling 11 % of the shares and 56 % of the voting power. Put differently, private business contributed a small share of the venture capital but controlled the use of it. The main function of LAFI was to attract new industrial ventures to the shipyard area and capitalize on the resources available after close-down. LAFI was authorized to use a subsidy on 100 milj Sw Kr, given to ÖV by the government.¹⁰ The creation of LAFI, and the authority given to it by the Landskrona municipality and the government, was strongly supported by the local unions as well as the Ministry of Industrial Affairs ("Öresundsvarvet i Landskrona" : 20 f).

Thus, LAFI immediately gained access to venture capital and soon also to industrial property (the shipyard grounds, with a tax value on 143 milj Sw Kr was purchased from SVAB for 1 [one] Sw Kr!) and buildings to host new industrial projects. Its policy is strictly market-conforming: LAFI will only participate in ventures that are profitable or that will be so in the near future, and are primarily oriented toward high-risk sectors (*ibid*:22 f).

In addition to LAFI, the municipality formed a Development Foundation (*Utvecklingsstiftelsen*) to serve as a forum where local industrialists and politicians could meet. The main purpose of the foundation is to co-ordinate the activities of various firms and help create a local network consisting of firms, organizations, banks and the media. The foundation has focussed its work on attracting and developing hi-tech, future-oriented industry sectors, supporting promising ideas and concepts from the drawing-board to the large-scale launching (*ibid*:25 f).

LAFI and the Development Foundation are the chief instruments for industrial renewal in Landskrona. Alongside with these two bodies, other organizations

support the operation. To take one example, a special company (Landskrona Produktion AB or LAPRO, generally referred to as the "veterans' workshop") was formed to accommodate labor unfit for retraining or suffering from some minor handicap. LAPRO is funded through a government general subsidy given the municipality for socially related purposes in connection with the close-down of the shipyard.

The overall costs for terminating ÖV were estimated to be somewhat more than 1 000 milj Sw Kr, not including various additional costs difficult to assess but nevertheless relevant when calculating society's total costs (Governmental Bill 1980/81:131). Also, this estimate does not include venture capital provided by private business.

The key question, given all the subsidies, programmes and bodies constituted, is of course: how successful was the operation? According to an evaluation done by the State County Administration (*Länsstyrelsen i Malmöhus län*) the outcome was very successful indeed. 69 % of the labor (blue and white collar) had a new job by the end of 1983. Of these, close to 90 % had that job already on the day of the close-down. The remaining 10 % were put into job retraining programmes or were subject to social insurances or cash unemployment support. More than 40 % of those who had a new job immediately after close-down had a job in one of the companies established by LAFI. By late 1984, LAFI had helped create some 900 new jobs. Despite severe criticism in the media, e.g. for supporting polluting industries and for lacking co-ordination, LAFI's record remains impressive.¹¹

The Landskrona case presents some interesting findings. *First*, massive government subsidies given to smooth the process of termination were transferred to the regional and local levels to be allocated from there. In doing so, the government hoped to make the subsidies better geared to solve problems on those levels. *Second*, a local network, integrating the municipality, the business community, banks, unions and other organizations, and research centers, was established *prior to* the termination. Thus, termination and renewal was implemented by the same actors and in the same context. *Third*, there were no conflicts on the local level regarding which measures to take. Unions strongly supported the process of industrial renewal and the means employed. *Fourthly*, the overall orientation of the actors involved was strictly toward future-oriented and market-conforming solutions: any project unable to support itself in the long-term perspective and on a large scale was dropped. Finally, the general idea was to encourage a diversified industry, rather than trying to bring in one major firm and hope for emerging demand on the

subcontractor level.

The long-term stability of the model is difficult to assess. By late 1987, parts of the Landskrona model have encountered problems meeting market demands for competitiveness. Thus, LAPRO has filed for bankruptcy, and other LAFI-sponsored firms have found themselves in dire financial circumstances.¹²

2.3 Uddevallavarvet

Uddevalla is a town on the West coast, north of Göteborg, facing the North sea. With some 45 000 inhabitants, its economy revolves around a dynamic industry and public services (Assarsson – Wallin, 1986:17). Uddevallavarvet (in translation "the Uddevalla shipyard") started its process of contraction during 1983, following the Riksdag's decision the same year (Governmental Bill 1982/83:147). During the first major reduction, 600 workers were laid off. After that reduction, the shipyard (in early 1985) counted almost 2 200 employees. At about the same time, an *ad hoc* commission, consisting of representatives for the city and the region, formed *Bohus Vital*, an investment company.

About a year later, on December 11, 1984, the boards of SVAB and the Uddevalla shipyard jointly decided to terminate the shipyard. In connection to the decision, a plan to provide alternative jobs for the labor in the region was presented by the government. The plan had been negotiated between the State County Administration and the Ministry of Industrial Affairs (*ibid*:30).

However, a third actor came to play the dominating role for the industrial renewal in Uddevalla. Volvo, the major Swedish car-maker, generating more than 10 % of the Swedish GNP, offered to set up an assembly-plant at the old shipyard, with some 1 200 jobs. In return for this Volvo, formally purchasing the shipyard, could deduct the shipyard's deficits from its taxes. Secondly, capital funded in Volvo's investment funds should be made accessible to the company.¹³ Finally, Volvo gained control over the shipyard's attractive land property. The total costs of Volvo's investments were estimated to 1 800 milj Sw Kr.¹⁴

Volvo negotiated directly with the Ministry of Industrial Affairs. In return for helping out the municipality and the government providing alternative jobs for a substantial part of the shipyard's labor, Volvo could free capital from its investment funds, purchase a tax deductible object on more than 100 milj Sw Kr, and gained access to attractive land, by investing (perhaps predating an already planned investment) in an assembly plant.

Government subsidies – the Uddevalla package – included 1 400–1 700 milj Sw Kr. Of this capital, 100 milj

Sw Kr went into an investment company, *Uddevalla Invest* (UI). UI was created after a deal between the Ministry of Industrial Affairs and *Bohus Promotion*, a private foundation. Other government subsidies included investments, labor-market subsidies (150 milj), and research and development funds (30 milj) (Assarsson – Wallin, 1986:31 f). With Volvo's 1 800 milj Sw Kr, the government's circa 1 400 milj, and additional capital from the municipality, the bill for closing the Uddevalla shipyard thus lands at a figure exceeding 3 000 milj Sw Kr. A commission (*Uddevällakommisionen*) was appointed by the government to co-ordinate the measures taken and supervise the implementation of the "package". In the commission, all major interests affected were represented: unions, (blue and white collar), the municipality, the State County Administration, SVAB, and Uddevalla Invest.

By supporting industrial concepts and providing venture capital, competence, and expertise, Uddevalla Invest catalyzes the industrial renewal and constitutes a network linking together different businesses. UI had the venture capital necessary: aside from the 100 milj Sw Kr provided by the government, SVAB contributed with 30 milj, Procordia (a state-owned holdingcompany) 10 milj, and private and co-operative businesses 20 milj, adding up to 160 milj Sw Kr.

Thus, a two-step strategy was employed: the first stage consisted of Volvo's investment, absorbing the bulk of the laid off labor. Secondly, efforts were made to attract small-scale industries to the region, and to develop industrial concepts. Local unions, strongly opposing the close-down of the shipyard, were altogether satisfied with the "package". The majority of the employees were provided new jobs with the package and the Volvo assembly-plant. Volvo's offer was met with some suspicion: the theory was put forward that Volvo simply predated already planned investments and was now able to get government cash support for them.¹⁵

Evaluating the Uddevalla operation along the same yardstick as the Landskrona case – number of jobs created – gives us roughly the same result: the operation was successful. In October 1986, 1 350 new jobs had been created, corresponding to 62 % of the laid off labor (Assarsson – Wallin, 1986:19). By March 1987, 2 150 new jobs had been created, not counting the 1 200 jobs in the Volvo plant. Applications to establish in the region (and thus becoming eligible for subsidies) has been submitted by an additional number of firms, rising the total number of potential job opportunities to 3 400. Should all of these planned investments come through, the region can present a net *increase* in number of jobs. The success, according to one source, is much due to an effective marketing of the Uddevalla region as a dynamic industrial environment.¹⁶

The overall strategy employed in Uddevalla differs in many respects from the Landskrona case. Firstly, Uddevalla put its initial trust in two major sponsors – the government and Volvo. Later, however, small-scale industries have mushroomed in the region. This two-step process is very different from the Landskrona model.

Secondly, although probably the market-conforming and future-oriented aspects were just as prevalent here as in Landskrona, evaluations tend to stress them less in the Uddevalla case. To some extent this may be explained by the nature of the strategy employed, i.e., to first bring in Volvo, and later develop a diversity of small-scale ventures. Studies suggest that research and development spending – a key factor in future-oriented businesses – pays off much more in small-scale operations, compared to larger bodies (Berney – Owens, 1985). The anatomy of small-scale organizations has proven more conducive to innovative behavior than larger bodies (Morgan, 1986:50 f). Thus, not clinging exclusively to Volvo for guaranteed employment, and diversifying the business sector, indicates a strong future-orientation here as well as in Landskrona.

Finally, if the Landskrona case presents a confusing mix of private business profit goals acting behind veils of social responsibility ethos on the one hand, and implemented public policies of full employment on the other, the Uddevalla case is yet harder to assess. Was the local and regional business turmoil generated by the shipyard's closing down merely a neat opportunity for Volvo to have some of its already planned investments partially financed by government subsidies? Or did Volvo, the leading employer in the Göteborg-Uddevalla region, simply act as any responsible company should do in a mixed economy, coming to the rescue when the government needed help?

2.4 Kockumsvarvet

The third shipyard to be closed down was Kockumsvarvet (in translation the "Kockums shipyard") in Malmö, facing Copenhagen across the Öresund straits. Malmö, with its 230 000 population, has a long tradition in heavy industry.

Following a long period of uncertainty, the Riksdag on February 13, 1987, decided to have the Kockums shipyard closed down (Governmental Bill 1985/86:120). Almost parallel to this decision, however, the Riksdag also launched the "Malmö-package", i.e., the subsidies it was prepared to give Malmö to preclude unemployment in the region (Governmental Bill 1985/86:125). The main ingredient in the package was an investment by SAAB, like Volvo a car-maker. SAAB already has an assembly-plant in Arlöv, a suburb to Malmö. SAAB now offered to put up another assembly-plant, provid-

ing some 1 300 new jobs, on the ground of the former shipyard, a highly attractive industrial location. Secondly, Kockums should be allowed to continue its business within the sector of submarine technology, where it is internationally competitive. Here, 300 jobs were to be created. Thirdly, modernization of railway-cars should open up for another 200 jobs.

Fourthly, a regional investment company should be created. Here, the government was willing to put in 50 milj Sw Kr, provided that private businesses contributed 75 milj. Also, a fund for regional development should be given 8 milj Sw Kr, on the condition that the municipality and the County Council (*landstinget*) jointly came up with the corresponding amount. Another organizational component of the package was that a co-ordinating group for the region should be formed.

In addition to these measures, the package comprised investments in infrastructure, higher education (particularly in the science field), and labor-market subsidies. The package's total subsidies are difficult to assess, but amounts to some 1 500–2 000 milj Sw Kr, or roughly the same as the Uddevalla package.

By setting up the assembly-plant in Malmö, SAAB got a government subsidy on 374 milj Sw Kr. In addition to that, SAAB's capital funded in its investment funds (12 500 milj Sw Kr) should be free to the company to be used for investments, not only in Malmö but anywhere in Sweden.¹⁷

The implementation of the package soon became controversial. Two problems dominated the agenda. The first had to do with fundraising: the private business community did not present the capital required to get the 50 milj Sw Kr subsidy promised by the government. The process stalled until PEAB, a construction company serving as SAAB's local entrepreneur, formed an investment company, *Kranen*, and put in 20 milj Sw Kr in order to constitute a network for various industrial concepts. Furthermore, *Kranen* would control the government's subsidies and private businesses' contributions. *Kranen*'s basic concept was to establish a "hotel" for small-scale, emerging industrial ventures. PEAB insisted on controlling the voting majority in *Kranen*. By yielding to this, the government would *de facto* have to surrender most of its control over the subsidies and the process of industrial renewal to PEAB. After some time, the Ministry of Industrial Affairs announced its approval to PEAB's proposal.¹⁸

The second major problem had to do with SAAB's plant. Shortly after the package was presented, a strong local opinion was mobilized against the suggested location of the assembly-plant. By placing the plant in the shipyard area, close to the heart of the city, SAAB would add substantially to the city's pollution problem.

If instead located in the northern part of the harbor, the plant would cause much less damage, critics argued. Thus, the consensus that existed among the local political elite did not reflect the opinions of the majority of Malmö's population, and hence SAAB:s Malmö venture did not receive the expected welcome.¹⁹

It is still premature to evaluate the effectiveness of the Malmö operation. However, the development so far has hinted at some problems for the future implementation of the package. Firstly, unlike Landskrona and Uddevalla, Malmö did not enjoy an overall local consensus regarding what actions to take to create new jobs. Local unions were dissatisfied with SAAB:s participation in the operation.²⁰ Secondly, private business, mainly represented by SAAB and PEAB, quickly took control over the management and allocation of subsidies.

Taken together, these two circumstances challenge one of the essential prerequisites for successful local industrial renewal, namely an established and powerful local network, blending private and public interests, and a relatively strong consensus within the network concerning policies and concrete measures. Despite this, public and private investments and other measures are likely to be as effective as in Landskrona and Uddevalla. What might be lost in Malmö are the dynamics of public-private co-operation and interaction experienced in Landskrona and Uddevalla. Indeed, the Malmö operation was the first time that the government conditioned its subsidies on private business contributions. This strategy, however, did not ignite private businesses' spirits to enter joint ventures: on the contrary, Malmö witnessed private business reducing the role of the Ministry of Industrial Affairs essentially to that of a sponsor.

3. Conclusions

3.1 Public-private partnerships as gateways to new arenas

The essence of the models employed to accommodate labour during the process of structural change and create new jobs in competitive businesses was to mediate highly diverse interests, up to the point of full-scale co-operation. These interests included municipalities, the government, local unions and corporate management, and the State County Administration. Each of these actors had a stake in attaining this goal. Public actors, like the State County Administration, sought to prevent the region from massive unemployment and an obsolete industry sector: private business saw a chance to launch future-oriented, high-risk ventures with the aid of government subsidies. Public actors had the legal and regulatory means necessary, as well as venture capital: pri-

ivate business had the concepts, the know-how and the basic drive to engage in new ventures with the prospect of future profits. Thus, public actors to a large extent saw their main function as to prepare the grounds for private businesses to enter the operation. Likewise, private interests saw, beyond their immediate business goals, participating as a way to accommodate public interests with their actions. –

In this formula we find three basic rationales of the joint venture. These rationales will be discussed in detail below. Political actors must, in order to solve their problem – a market-oriented problem – enter the market and derive the solution from within the market. Market actors, on the other hand, see structural change processes as opportunities to launch new industrial concepts with the aid of public subsidies and the overall support of political actors. Thus, a *first rationale* of the joint venture is that it provides a gateway for the actors to enter each others' arenas and enhance their goal attainment by operations there.

The actors represented almost every conceivable level of the political and economic systems. Thus, among the political actors, the cast presents the government, the State County Administration, County Councils, and municipalities. Economic actors, too, are extremely diverse, ranging from small-scale, local industrialists to multinationals like Volvo and SAAB. The corporatist policy mode, Cawson suggests, is primarily to be found "where the locale defines the object of the policy rather than characterises the nature of the interests involved" (Cawson, 1985:145). True, the meso-corporatist model highlights the local behavior of the actors (ibid:127), but a number of actors were merely local branches of large organizations. It remains an open question to what extent this pattern challenges some of the basic assumptions in meso-corporatist theory, e.g. that organized interests on the meso-level, not representing peak organizations, differ in behavior compared to peak organizations, and so will the arrangements of interest mediation.

The close relationship between corporate interests and politico-bureaucratic interests, along with the close tie between unions and the Social Democratic Party (incumbent from 1982 onwards), presents a web of interests mediated through co-operation toward common goals, albeit derived from different vantage points and rationales. Unlike most cases at the national level, private businesses at the local level always have the exit option – to simply take their business elsewhere if confronted with too strong political resistance. Indeed, studies indicate that on this level a "market inversion" often takes place: competition takes place not primarily between private businesses but between different re-

gions and cities, seeking to attract private companies (Hernes – Selvik, 1981; Peretz, 1985).

A comparison of the horizontal and vertical networks reveals many similarities. *First*, in all three cases, the State County Administrations played the key role of finding ways of orderly termination and a rapid industrial renewal. By quickly opening up to private businesses, whose chances of getting in control of property and subsidies were big, and by raising funds for research and development and venture capital, the Administrations co-ordinated the operations. Especially conspicuous is the conglomerate between public and private interests, and how successfully the formed networks facilitated these contacts. *Second*, in all three cases, the basic idea was to create a network, merging private and public actors into a web of contacts for the inclusion of industrial concepts and capital, with the political blessing. The networks, existing in less formal nature prior to the close-downs, gained a semi-official status, allocating government subsidies (cf Offe, 1985). A highly efficient and productive ad-hocracy characterized primarily the Landskrona and Uddevalla operations.

3.2 Public-private partnerships as co-ordinators

All three operations enjoyed powerful support from the government. The government participated in the operations in several different ways. First, subsidies, supporting the "incubator" element of the operations surpassing any historical comparisons, were provided the regions. The subsidies went beyond cash subsidies, although these were essential for the regions. Through retraining programs, labor-market subsidies, and other measures, the government took most of the social costs imposed by the closures, providing leeway and leverage for private businesses to invest in the region. Put differently, whilst the government supported the "incubator" phase – the "defensive" element – private businesses could put their resources into the "offensive", future-oriented phase. The rationale of government subsidies was to provide the locales with the time necessary to conduct the process of industrial change, by offering short-term retraining programs and long-term venture capital. However, by leaving the final decisions about the use of the capital to the local networks, the government attempted to reduce the negative side-effects of non-market factors. Secondly, the government, through the State County Administrations, organized and surveiled the processes of close-down and industrial renewal. The Administrations, it seems, were able to combine the role of regional co-ordinator with a state communicator. Funding research and development projects, the Administrations have come to play an important role

for the structural change of the industry sector (Beckman *et al*, 1985). Thus, a *second rationale* of joint ventures – next to being gateways to the actors' respective arena – is to ensure co-ordination of the actors' respective goals and concerted strategies to ensure mutual goal attainment. In processes of structural change the risk of encountering conflicting goals is quite small, while there is tremendous potential for mutual goal attainment.

3.3 Public-private partnerships as sources of political legitimacy

A local consensus on what measures to employ seems to be an essential prerequisite for a successful operation. The overt conflicts observed did not primarily present private capital challenging politico-bureaucratic bodies or vice versa. Instead, media reported about local unions taking issue on various measures. Indeed, local unions were the main critics of the shipyard closures. In this respect, Kockums presents a deviant case. Malmö did never enjoy the same consensus amongst the political elite and corporate actors as did Landskrona and Uddevalla. This is probably one of the explanations for the inert implementation of the package, and the uncertainty about its effectiveness. Put more analytically, this is the *third rationale* of joint ventures: comprising actors from distinctively different social arenas, these ventures facilitate control of the actors' respective "constitencies". Thus, political actors provide political legitimacy and also – as happened in the cases studied here – legitimacy before the labor constituency. Conversely, market actors can justify the political presence on the market by pointing at the potential for industrial development facilitated this way.

However, just as it can be argued that the fusion of private and public interests was the key ingredient in the structural change formula, it also raises a series of questions about who decided what. The three cases studied here present bargaining situations between "politics" and "the market" in which the influence from "market" actors over public policy is omnipresent. Public authorities yielded to private interests up to the point of surrendering its institutionalized authority, sometimes (as when the State County Administration handed over the control over government subsidies to an investment company in Malmö) even beyond that point. Public policy was implemented by local networks of public and private interests.

Paradoxically, although the ultimate goal of the operations was to protect labor from unemployment, unions single out as losers when it came to deciding on the design of the restructuring. In one case – Landskrona – unions took a very active interest from the first stages of

planning. The other two cases present local unions removed from the decision-making bodies, or perhaps with representation on advisory boards only. Thus, a somewhat ironic conclusion of this study is that private capital, alongside with developing new industrial concepts, seems to provide new jobs for laid off labor more efficiently compared to the output of processes with labor organizations dominating the scene.

Jon Pierre

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GP August 4, 1987.

SDS October 2, 4, 15, 22, November 12, 13, 19, December 17, 19, 1986.

Footnotes

¹ An earlier version of this essay was presented at the ECPR Joint Sessions of Workshops in Amsterdam, April, 10-15, 1987.

² The efficiency of industrial policies seems to vary considerably, synchronically and diachronically; cf e.g. Bluestone – Harrison, 1982; Gross – Weinstein, 1987; Pierre – Krauss, 1987.

³ Cawson (1985:126-133, 146) and Schmitter (1985:45f) discuss preconditions for neo-corporatism at a national level. Several factors mentioned by Schmitter, e.g. class decomposition, a policy orientation toward production, investments and employment, and policy implementation performed in concert with corporate interests, appear to be relevant preconditions also for meso-corporatism. For an account of local government in Sweden, cf Strömberg – Westerståhl, 1984.

⁴ However, periods of non-socialist government have not significantly altered political commitments towards "full employment. Indeed, Henning (1984) shows that non-socialist Governments during the late 1970s spent *more* resources supporting declining industries than did socialist Governments. Thus, the magnitude of the structural crisis seems to account for more than the ideology of the party (parties) in power.

⁵ This concept was frequently used by Government representatives when the Riksdag, the Swedish parliament, debated subsidies to the shipyards. For an account of the public policy toward declining sectors and termination processes at the national level, cf Henning, 1984; and at the local level, cf Moore *et al*, 1985; Moore – Pierre, 1988. For analyses of market-conforming strategies of industrial policies, cf Eliasson, 1984; Cawson, 1985:134; Pierre – Krauss, 1987:2 ff.

⁶ The handling of declining industries takes very different forms indeed in different political systems, depending on the political saliency of labor-market policies and governments' political responsibility for

maintaining employment and economic growth (cf Bluestone – Harrison, 1982; Saxonhouse, 1979; Wilks – Wright, 1987; Zysman 1983:ch 1). These factors also help explain governments propensity to employ non-market measures, e.g. subsidies and policies geared to incubate the industrial sector from international competition.

⁷ Cf Stråth, 1986. According to Stråth, some countries responded earlier to the structural crisis than did other countries. Japan, who probably more triggered the crisis for other countries than was subject to it herself, responded quickly and was thus more in tune already by the early 1970s. Sweden, along with several other West European countries like France and the Netherlands, responded later and had to contract more forcefully during the 1970s and 1980s. From 1975 to 1982, Sweden reduced her shipbuilding industry with 66 %, more than any other country.

⁸ Governmental Bill 1979/80:165. For a comparative analysis of the Swedish Government's industry subsidies, cf Allen – Yuill, 1984.

⁹ The State County Administration (*länsstyrelsen*) is the national Government's regional administration.

¹⁰ 100 milj Sw Kr equals \$ 16, 4 milj (March 1989).

¹¹ *Öresundsvarvet i Landskrona*: 38 ff. Much of media's criticism of LAFI has been aimed at Scandust, a heavily polluting manufacturing industry, supported by LAFI.

¹² Affärsvärlden nr 26/28, 1987.

¹³ Investment funds were created during the 1960s. Funding parts of company profits during booms and giving it back during recessions, the funds are assumed to play an important role to smooth the economy. The Government decides on when, and for what purposes, companies could be allowed to draw money from their fund. The companies' return for losing control over the capital is that capital funded (or later used for investments) is not subject to taxation.

¹⁴ Later, in early 1986, Volvo received a Government subsidy on 240 milj Sw Kr for their Uddevalla investments, provided it did not exceed 15 % of the overall investment costs.

¹⁵ These arguments were put forward by local union leaders discussing the Uddevalla situation on a news-show, January 15, 1987.

¹⁶ Interview with Richard Sigfridson at the State County Administration in Västnytt (a regional news-show), January 23, 1987; Assarsson – Wallin, 1986:19; DN March 31, 1987.

¹⁷ Assarsson – Wallin, 1986:22f. In October 1986, newspaper reports suggested that of the 1 600 jobs in Malmö originally guaranteed by SAAB, 1 200 would simply be transferred from the company's assembly-plant in Arlöv, reducing the number of new jobs in Malmö to 400. SDS October 2, 1986.

¹⁸ Assarsson – Wallin, 1986:26f; Arb July 3, September 27, 1986.

¹⁹ The conflict did not only involve local actors. A main opponent to SAAB:s investment on the former shipyard was the National Agency for Environmental Protection, who did not give clearance to the plant until SAAB had committed itself to reduce the amount of pollution. SDS October 4, 15, 22, November 12, 13, 19, December 17, 19, 1986; Arb November 12, 15, 26, 1986.

²⁰ Cf Arb February 14, 1986.

Sakkunnigutlåtanden över tjänsten som professor i statsvetenskap vid Lunds universitet

Tjänsteförslagsnämnden för samhällsvetenskapliga fakulteten

Lunds universitet

Av fakultetskollegiet utsedd till sakkunnig vid tillsättningen av en tjänst som professor i statsvetenskap vid Lunds universitet får jag anföra följande.

Sökande till tjänsten är
docent Christer Jönsson
professor Jan-Erik Lane.

Christer Jönsson (f 1944) disputerade i Lund 1975, blev docent året därpå och har därefter haft en forskartjänst i internationell politik vid forskningsrådet. I avhandlingen prövades ett antal antaganden i västlig litteratur om ett speciellt sovjetiskt förhandlingsbeteende på fallet kärnvapenprovstoppet. Att se utfallet som ett resultat av förhållandet USA-Sovjet fann författaren ge en otillfredsställande förklaring, varför han i en uppföljning *Soviet Bargaining Behavior* (Columbia, 1979) även behandlade ämnet på två andra analysnivåer, nämligen förhållandet inom östblocket och spänningen inom den sovjetiska inrikespolitiken. Den förra analysen resulterade också i en huvudsakligen negativ slutsats, under det att de inrikespolitiska motsättningarna visade sig ha den allra största betydelse för provstoppsförhandlingarna. Jönsson ansluter sig alltså till dem som söker de inrikespolitiska källorna till det utrikespolitiska handlandet men han gör det odogmatiskt och varnar för ensidigheter i teoribildningen. Boken är påfallande välskriven, författaren har haft tillgång till ett väldokumenterat material och man följer hela tiden författarens spelteoretiskt inspirerade resonemang med nöje. Ändå kan jag inte finna att förklaringarna metodiskt står särskilt starka. Vad författaren gör är i princip ingenting annat än att påvisa samvariation över tid mellan ut-

rikesförhandlingar och inrikesspel och beläggen får i liten utsträckning karaktär av indicieargumentering.

När man söker rekonstruera aktörernas preferenser i ett spelteoretiskt perspektiv, är kognitions- och perceptionsforskarnas rön naturligtvis av största intresse. I ett flertal uppsatser, bl a i *European Journal of Political Research* och *Cooperation and Conflict*, vars redaktör Jönsson för övrigt varit, har författaren argumenterat för korsbefruktning mellan dessa båda teorifamiljer, så att spelteorins situationsspecifika modeller fördjupas med hjälp av kognitionsforskningens aktörsspecifika och de internationella förhandlingarnas karaktär av process uppmärksammas även inom spelteorin, som annars i princip är statisk till sin natur. Dessa uppsatser dokumenterar stor förtrogenhet med teoribildningen, utpräglad känslighet för de problem en forskare står inför när modeller skall tillämpas empiriskt samt förmåga att utreda svåra problem med omdöme och finesse.

I sina tidigare forskningar fann Jönsson, att Sovjetunionens förhandlingsbeteende inte är så avvikande och unikt, som det ofta beskrivs av västliga forskare. Han tyckte sig vidare se tydliga paralleller mellan den sovjetiska synen på USA och den amerikanska synen på Sovjetunionen. Därför startade han ett forskningsprojekt med systematiska jämförelser mellan den sovjetiska och amerikanska utrikespolitiken. Resultatet rapporterades i boken *Superpower. Comparing American and Soviet Foreign Policy* (Frances Pinter, 1984). Detta är en utomordentligt klar och överskådlig, lärorik och samtidigt sofistikerad framställning, förledande enkel i sin stil men med diskreta signaler invävda i texten till metodiskt mera intresserade läsare ("many variables, small N", "learned behavior", "unintended consequences", "role and image"). Likheten i USA:s och Sovjetunionens bedömningar gör det enligt författaren fruktbart att studera stormakterna i vad kognitionsforskarna kallar rolltermer; Jönsson talar om "superpower role". Båda stormakterna var efter andra världskriget fast beslutna att aldrig mera göra eftergifter till fienden och aldrig mera låta sig överraskas av honom militärt oförberedda. Jönsson skiljer mellan "globalister" och "partikularister", de förra med ett utåtriktat säkerhetspolitiskt preferenssystem och de senare med sitt huvudintresse knutet till inrikes- eller regionintressen, samt gör distinktionen mellan "enemy image" och "dual image", varigenom en fyrfältstablå framträder med fyra historiskt klagörande rollupfattningar för stormakternas utrikespolitiska handlande. Detta hindrar inte att det också finns andra skillnader dem emellan. Kort uttryckt är Sovjetunionen en supermakt bara i militärt avseende. Vi vet alla, skriver författaren efter Machiavelli, att den obehäpnade profeten går under.