The politics of public administration policy
Explaining and evaluating public performance management in Sweden
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Abstract
The purpose of the project is to describe and explain the introduction and the consequences of the current management model of the public sector (management by results) from a democratic theory perspective. Firstly, our aim is to disclose the norms and values that the present model is bearer of. A first step will be to unfold what kind of values that are rewarded in the present model, and thereby also calling the attention to what values that are neglected. A point of reference for this is Elster’s “three-cornered dilemma” of constitutionalism, democracy, and efficiency. This analysis of conflicting values will be made on different administrative levels, since the implications are different depending on whether we focus on government steering or the conditions of the service deliverers on the local level. Secondly, we aim to answer the question on why the model was introduced in the first place, and if this process poses any democratic challenges. Our perspective is that the introduction of this model has had far reaching effects for the work of the executive branch, and thereby has had greater constitutional implications than is generally acknowledged. Yet, we also know from earlier research that the introduction of the model was not of great political interest, but is rather the product of a limited number of top civil servants. Simply put, how come that this one particular management model is adopted, and is allowed to dominate, although it has been so highly criticized?

Purpose and aims
The purpose of the research project is to describe and explain the introduction and the consequences of the current Swedish management model of the public sector (based on management by results). We argue that the introduction – and perseverance – of this model constitutes an important example of public administration policy, and serves as a well chosen case in analyzing the politics of public administration policy. There are plenty of empirical studies made on this management model. However, what is missing is a comprehensive study that both analyzes the constitutional politics behind the model, and which in a broader sense investigates the possibly different consequences of the model on different administrative levels. We would like to fill this gap with this research project.

We aim to give answer to the question on why – and in whose interest – the management model was introduced in the first place. Our perspective is that the introduction of this model has had far reaching effects for the work of the executive branch, and thereby has had greater constitutional implications than is normally acknowledged in this kind of studies (Sterzel 2009; Ahlbäck Öberg & Öberg 2012). Firstly, the model assumes a specific division of labor between politicians and bureaucracy, which actually has democratic as well as constitutional implications on who
has the right to decide what and when. There are indications that due to the model’s prescribed division of labor between politics and bureaucracy, politicians feel excluded from deciding on details, i.e. the actual practice of politics (Mattson 2000, p. 119ff; SOU 2007:75, p. 47; Statskontoret 2006:3, bilaga 2, p. 106). Secondly, one could look upon the model as a structure that is universally applied to all policy areas, even though the prerequisite for each area varies. In a sense, the assumed neutral management model dictates – or serves as a defining structure – for governance and governability in all policy fields, a structure that depending on the perspective can be looked upon as enabling or restricting certain values in policy-making (we will get back to this below). Seen as a model with constitutional implications, it is interesting to note that the introduction of the model was not of great political interest but rather might have been the interest of a limited number of top civil servants (Lindström 1996; SOU 2007:75; Pierre & Sundström 2009). Given the low political interest the theoretical question is whether the introduction of the model was just an augmentation of administrative traditions, or – at the other end of the scale – an example of strategic interest (e.g. technocratic interests). We do not rule out the possibility of strategic interest, at least, it needs to be tested.

In analyzing in whose interest the management model was introduced, and is maintained, we need to disclose the norms and values that the present public management model is bearer of. Contrary to many policy makers’ belief we argue that there is no such thing as a value free management model, but rather that the assumptions that the model rests upon is connected with a certain set of values (cf Lundquist 1998, p. 62f). Consequently an important step will be to unfold what kind of values that are rewarded in the present model and thereby also calling the attention to what values that are neglected. We hypothesize that the impact – and the value conflict of the model – varies greatly depending on what administrative level we focus our attention. Those who are the most affected by the model might be the ones who have the least power to change the model, and those who have the power to change and/or modify the model might have no incentives to change it. This analysis of conflicting values will in this research project be made on different administrative levels, since the implications are different depending on whether we focus on the task of government steering or the conditions of the service deliverers on the local level. An important point of reference here is the “three-cornered dilemma” of constitutionalism, democracy, and efficiency, discussed by Elster (1988; cf Lundquist’s discussion on democratic vs. economic values (1998)). On a rhetorical level, public administration polices are often said to enhance values related to democracy (i.e. implementation of legitimate political decisions; or the possibility to hold decision-makers to account); as well as the rule of law and efficiency. In practice, these values may however be competing and hard to combine. From our political scientist point of view, the choice of public administration policy involves choices between values.

It should here be added that there are indications from earlier research that problems within several policy areas as education, health care, judicial system etc may be the result of a conflict between economically oriented management measures and professional service deliverers’ norms and values. The key essential of management by results is the focus on output control, and the model thereby promotes performance measurements, evaluation and auditing (Hood 1991; Power 1999) rather than the professional service deliverers’ own knowledge, ideals and measures of quality (Ahlbäck Öberg 2010a; Hasselberg & Stenlås 2010; Lindgren 2006). In plain language this boils down to a battleground over who has the right to define what constitutes a work well performed in public services (Hasselberg 2009, p. 56f).
making this value conflict more explicit, and also connecting this conflict more explicitly to the conditions that are set by performance management, we also hope to facilitate a better understanding of the implementation challenges of modern welfare state policy. In sum, our working hypothesis is that depending on the administrative level analyzed we will detect different sorts of value conflicts, which in itself says something about the model’s selective impact on different administrative levels. Importantly the value conflicts described (or ignored) in debates, actual policies or by actors at different levels of the system are in this study not only of theoretical interest. On the contrary we aim at investigating their importance as parts in an explanation of why the model was chosen in the first place. As will be described below, we hypothesize that actors may have preferences and interests which are linked to the choice of a certain model, and hence to one particular value rather than another.

Survey of the field

The research project links up to several research fields: especially on constitutional politics and public management. One theoretical ambition is to try to link these two research fields together, in the hope that this will reveal new insights on a known problem. The theoretical discussion on values attached to, and promoted by, public administration reform have many participants, and our main point of departure is Jon Elster’s discussion on the modern state as a “three-cornered dilemma” of constitutionalism, democracy, and efficiency (1988). The basic point is that there is a tension between these three corners, and what upholds one value does not necessarily promote another value. E.g. efficiency arguments might come in direct conflict with democratic values as political accountability, transparency, and the possibility of realizing the popular will. On the other hand there is a tension the other way around as well, democratically decided policies are of no value if they are not efficiently implemented. Important to note is that it is hard to strike the perfect balance between Elster’s three values for the modern state, tensions are inescapable. However, there is certainly a point in making these value conflicts explicit (rather than letting them be secluded). Also, we would like to connect this discussion with Lundquist’s work, where he contrasts democratic values (as political democracy, rule-of-law and public ethics) to economic values (as functional rationality, cost effectiveness and productivity) (1998).

An important theoretical input in the research project is Johan P Olsen’s work (2006; 2009) on New Public Management and network administration ideas respectively, as challenges to bureaucratic government. Even though this critique is not explicitly framed in terms of different constitutional agendas, the problem identified and lined out by Olsen will be most useful (as he also asks in whose interest certain ideas are pursued). This is also providing an analytical basis for our empirical study of interests as the driving force behind public administration reform, as well as for our analysis of democratic and other virtues of different steering models. It should be noted that the performance management-model in focus is actually a specific combination of steering tools. Public administration may be manifested clearly on the political agenda in “reforms” or even “constitutional reforms”, but important decisions are also dealt with more quietly: According to Sterzel (2009) the budget reform of the 1990’s is to be viewed as a constitutional reform with important impact, but has rarely been acknowledged as such. On the other hand, there is an extensive literature on how reforms based on ideas of New Public Management have affected the organization and conditions of the public sector (see e.g. Box et al 2001; Pollitt 2006; Pollitt et al 2007; Peters 2010). These reforms have included changes toward management by results, pay-for-performance
schemes and managerial ideals copied from the private sector (Hood 1991). In this project, we will delimit our study to the politics and consequences of a steering model based on the idea of management by results, a management model that has had great – but maybe differentiated – bearing on the public sector. Early on commentators pointed out that this model constitutes one single template for how work in the public sector should be organized, despite the variety of public service and goods to be produced in modern welfare states (ibid.). The aim of these reforms has – at least rhetorically – been to ensure efficiency and high quality in public service. Even though this literature does discuss the actual effects of these reforms on the public sector as a whole, we argue that these systemic changes have had a profound effect on the autonomy of certain groups operating within the public sector. Undoubtedly, this state of things has been touched upon by commentators that have focused on public management (e.g. Exworthy & Halford 2002), but over the last few years more evidence is emerging both academically and in the public debate that the conditions for public service deliverers are challenged by the norms and values upheld by the management model (Stenlås 2009; Hasselberg 2009; Winblad & Andersson 2010). I.e. warnings have emerged that management values and priorities have, or soon will, colonize professional work, leading progressively to new incentives, perceptions of significance and mentalities (Broadbent & Laughlin 2002; cf Power 1999). In addition to clarifying the politics behind the management model we aim to explicate the impact of the model on different administrative levels, thereby extracting possible differences of impact that might be of help in explaining the perseverance of the model.

Moreover, earlier research on Swedish public administration policy is helpful in locating critical junctures, i.e. decision-making processes of importance for our study (Sundström’s (2003), Wockelberg’s (2003) and Andersson’s (2004) doctoral dissertations). Also, there are several reports and articles that evaluate the Swedish management by results-model, as well as the real possibilities for governance: Molander et al (2002) as well as the Government Steering Inquiry’s report (SOU 2007:75) outline actual steering relations. Early analyses of the reform can be found in the reports produced by the Government Commission on the Public Administration (see SOU 1997:15; Lindbom 1997). Many contributions question the functionality and idea behind the steering model based on management by results (e.g. Jacobsson 1984; Brunsson 2000; Jacobsson & Sundström 2001).

Theoretical framework

The overarching aim of the project is to explain why Swedish public administration policy has developed in a certain direction, the increasing focus put on performance measurement and auditing being an important case. The literature on reforms of this kind suggests two main explanations. Firstly, some researchers claim that decisions on steering and institutional design are mainly following long established paths or traditions. Institutions are “sticky” and hard to change. A probable reason for choosing a certain public administrative policy is that it is already used in the context studied (March & Olsen 1989; Painter & Peters 2010). The main alternative type of explanation assumes that the interests of competing actors will decide whether policies will change or not. The winning strategy may be aimed at substantial reforms or at preserving status quo (to stick with tradition). Other examples of explanations based on administrative traditions and institutional variables can be found in Yesilkagit & Christensen (2009) and Maycraft Kall (2010).

The competing actors’ perspective perceives public administration policy as a political game over resources (Moe 1989; Persson 2003). The hypothesis that this particular
New Public Management reform (NPM) does not really matter to important actors must also be taken seriously in the suggested project, which aims at explaining why certain NPM-ideas are so widely accepted an advocated at a rhetorical level.

Historical institutionalism has a sometimes hard time to explain changes, its focus on country specifics such as traditions and culture may hide or downplay the importance of strategic action in this policy area. At a first glance, the Swedish case appears as very stable, the same institutional design of the central executive (“dualism”) is defended and praised by politicians and bureaucrats no matter what happens (when democracy is introduced, when parliamentarianism is introduced, and when Sweden joins the European Union). A deeper analysis of the Swedish context, in which we question notions of both stability and change, is of potential general theoretical interest. Earlier research suggests that the defense of institutional “tradition” is shallow, and that the formal features of the Swedish model of administration may at times be of very limited importance (Wockelberg 2003; Wockelberg 2011). Public administration policies are defined broadly in its most traditional terms, i.e. political measures aimed at steering the public administration (measures presented under the headings organization, finance, regulations and staff in Petersson 2010).

Methodology

To answer the research question we will use process-tracing using both documentation and interviews. I.e. we need to analyze the political debate preceding the introduction of the management by results-model (parliamentary records, inquiries, and other public documents). We also plan to reanalyze earlier descriptions on the introduction. Interviews with central actors that have – or should have – been involved in this reform will be an important part of our data collection. At this stage we are planning to identify central political and bureaucratic actors, in order to unfold who was involved and who was not (and why). The types of actors we aim to study are Swedish governments, political parties and bureaucrats and expertise working with public administration policy development and implementation at the centre level of government. Through the content analysis of the documents, and through the interviews, we expect not only to unveil the actual process but also to get information on what type of considerations led to certain choices. Hence, the project is best described as using various methods, chosen to suit different parts of the project.

Based mainly on a re-analysis of earlier research (please see Survey of the field above) the initial part of the project aims at presenting a substantial description of Swedish public policy debate and reform from the 1980’s and forward. In this process the process is described and possible critical juncures are defined. This is also where the main actors are identified. To test the competing, or perhaps complimentary, hypotheses interview data is collected and analyzed. The aim is here to collect evidence supporting or dismissing the hypothesis that strategic action of certain actors explains the predominance of some ideas over others in public policy practice and debate. The sample will be in part of the snow ball-kind and it seems reasonable to aim at theoretical saturatization. Furthermore, an evaluation, based on the theory of value conflicts in the modern state, will be conducted. Here content analyses catching values inherent in public administration policy will be of great interest. The results in this part will be contrasted to what has come out of the interviews. An analysis of the impact of the model on different administrative levels will be conducted, and this part will to a large extent make use of existing research (but from a different angle).

Finally, the descriptive and explanatory conclusions in the above mentioned parts
of the project are to be evaluated. We plan to present a developed framework for interpreting public administrative reforms as choices between values: If the reasonable point of departure is that no model is neutral, in what ways are they political? Here the main aim is to apply democratic theory to public administration reforms, suggesting ways to enhance the survival and perhaps strengthening of values such as democratic influence, accountability and the connected value of rule and law.

The researchers

Most research will be conducted by Ahlback Öberg and Wockelberg jointly. Ahlback Öberg’s expertise in the institutional and policy effects of NPM-reforms and output control, as well as Wockelberg’s expertise in content analysis and issues concerning the Swedish model of administration will be used to their best advantage. The project members’ respective research experiences make them well equipped for the important task of discussing findings from a democratic theoretical and constitutional perspective. Additionally, a PhD-student, Sami Soliman, is included in the project.

Significance

The main empirical contribution delivered by this project is best described as a deep and wide analysis of the politics of public administration policy. The Swedish case has never been the object of a study of this magnitude. The combination of process tracing, interviews and surveys is hence unique. The added value of studying policy content, policy reforms as well as actors’ ideas and interests in this particular policy area is potentially high. We know very little about the attitudes towards public administration policies, and we need to study the normative (and other) assumptions that guide central actors’ decision-making in this area, as well as the interests that may be fuelling these processes. This is also where our most apparent theoretical contribution presents itself at this stage of our research process: we will take actor-based hypotheses seriously in our attempt to validate the more predominant suggestions that institutions and administrative traditions are the main explanatory factors in decisions over public administration policies. Given our high empirical ambition (a variety of data of different kinds) we have decided to limit the analysis to a single case, Sweden. We are however the first to welcome comparative studies in this field, and hope to encourage and engage our international network to join us in such. The Swedish case is however in itself theoretically interesting. The long tradition of a formal division of politics and administration, i.e. of independent agencies and units implementing public policy (at state and local level respectively) makes it possible to view Sweden as a most likely-case for the institutional theories we are hoping to challenge/develop. One possible perspective is that Swedish public administration policy is indeed following a path since long taken. It is also possible that the steering model in focus here fits nicely into this tradition that consists of politicians delegating discretion to independent agencies, and aiming at possibilities to hold the agencies to account. Providing evidence that strategic action is a main factor explaining the choices made in the public administration area is hence to be considered as an important contribution. Our hypothesis is here that the way state executives and administrative structures are commonly perceived and studied may be insufficient: We aim at illustrating how stability or “tradition” may be shallow enough to enable fundamental shifts in power distributions that will be missed if researchers fail to apply actor-based hypotheses to the study of public administration policy and institutional design.
Preliminary results

One preliminary result might be a reassessment of the management by results-model. If the model is shown to reward certain values on behalf of other important democratic values, an adjustment of the model might be of importance to make this governance structure democratically anchored as well as efficient. However, we need to underline that at this stage this is just speculations, since the research need to be carried out to get empirical answers to our theoretical question on the politics of public administration policy.

We would like to point out that the researchers of this project are highly qualified to carry out a project combining public management analysis with constitutional politics. Wockelberg’s (2003) doctoral thesis provides the empirical basis for the conclusion that Swedish political parties from left to right advocate and accept the development of public administration policy focused on possibilities to control the bureaucracy through performance management and audit-oriented models. Wockelberg’s study covers 25 formative years (1970–2000) and public administration policy is defined broadly. It is of theoretical interest that Wockelberg concludes that while constitutional aspects of the Swedish model of administration rarely are questioned explicitly in constitutional debates, ideas of constitutional importance are introduced and embraced implicitly in public administration policy-discussions under other headings. What may be perceived as path dependence may be an illusion. Wockelberg’s (2011) interview study with Swedish top level civil servants reveals that informal rules and relationships are of great importance for the execution of public administration policy. At the central level, i.e. the relationship between governmental departments and heads of independent agencies, performance management is only one among various ways of controlling bureaucracy, performance management models co-exists with other ways of controlling bureaucracies, and New Public Management ambitions to clarify mandates and monitor performance are only applied when it suits the central actors involved (Wockelberg 2011).

Ahlbäck Öberg’s (1999) research on the role and place of state audit institutions in parliamentary democracies has unfolded the evolution of a new political institution driven by the pursuit for performance management and output control within the public sector. This development is contrasted in the results from a subsequent interdisciplinary research project on Democracy and Depersonalisation (financed by the Swedish Research Council), where the rise of the audit society and its consequences for public service deliverers is analyzed (Ahlbäck Öberg 2010a; 2010b; Ställvik 2009; Stenlås 2009; Hasselberg 2009). In her present research project the relation between politics and expertise is focused, and with this grid a first study of the introduction of management by results has been made (Ahlbäck Öberg & Öberg 2012).

References


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