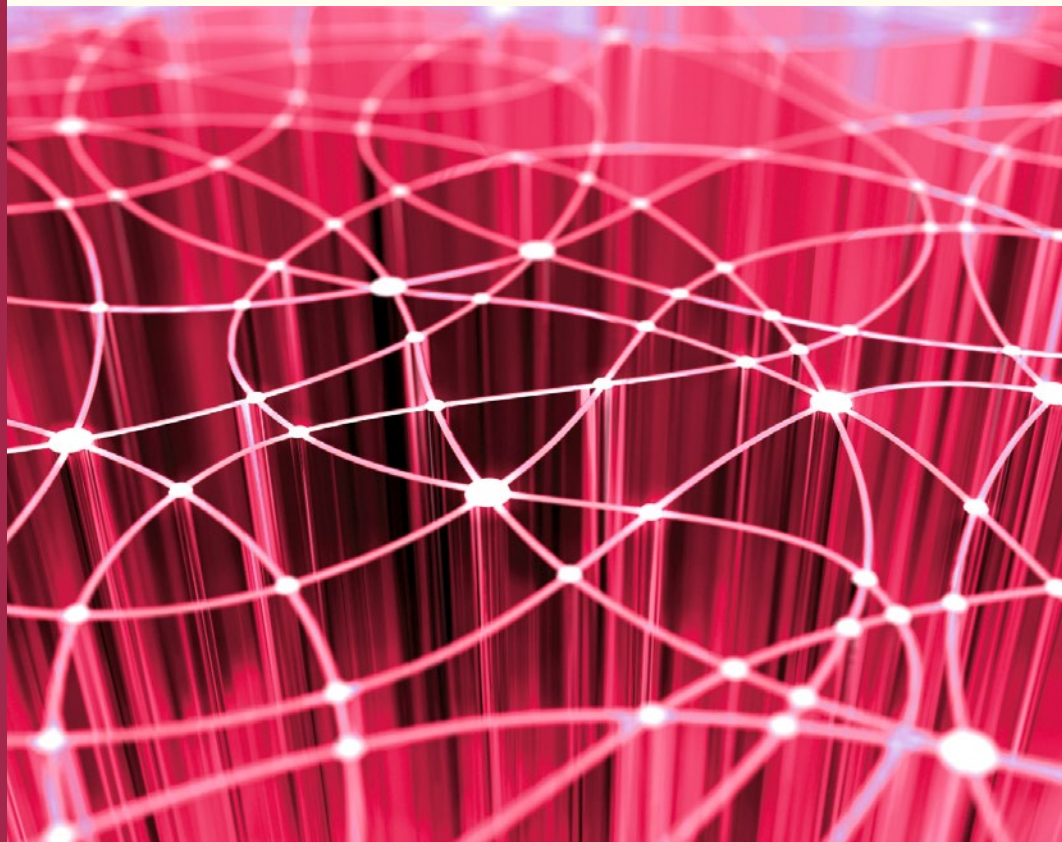


PUBLIC SECTOR ORGANIZATIONS

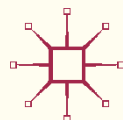


NORDIC ADMINISTRATIVE REFORMS

Lessons for Public Management

Edited by

Carsten Greve, Per Lægreid and Lise H. Rykkja



Public Sector Organizations

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Carsten Greve • Per Lægveid • Lise H. Rykkja
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Nordic Administrative Reforms

Lessons for Public Management

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This book takes stock of contemporary administrative reforms in the Nordic countries. We ask whether there is a Nordic model of public management reforms that separates the Nordic family of countries from other groups of countries in Europe and if, at the same time, there are major similarities across the five Nordic countries. Reform trends characterized as New Public Management, the Neo-Weberian State, New Public Governance and post-New Public Management are addressed. The traditional Nordic model is used as a benchmark for assessing variation across countries. We examine the institutional features of the Nordic countries, focusing on politicization, autonomy and coordination; the role identities of administrative top-level executives, their public sector values and work motivation; the reform processes, content and trends; the use of different management tools and the perceived effects of reforms, as well as the perceived performance of the public administration. The financial crisis of 2008 played an important part for reforms in many countries, and it is also addressed.

The book is a result of the European Union's Seventh Framework Program research project, Coordination of Cohesion in the Public Sector of the Future—COCOPS. The COCOPS project gathered a team of European public administration scholars from 11 universities in 10 countries (Belgium, Estonia, France, Germany, Hungary, Italy, Netherlands, Norway, Spain and the United Kingdom) and set out to assess the impact of New Public Management-style reforms in Europe. The project was led by Professor Steven Van de Walle (Erasmus University Rotterdam) and Professor Gerhard Hammerschmid (Hertie School of Governance, Berlin)

and coordinated by the Erasmus University. Many thanks to Steven Van de Walle, Gerhard Hammerschmid and Anca Oprisor for their correspondence, encouragement and backing for a book on the Nordic perspective to public administration reform based on the COCOPS data.

This book draws extensively on the COCOPS executive survey to top level administrative executives in ministries and central agencies conducted during 2012–2014. It is one of the largest online data collections on public sector reform available, covering 7027 top-level public sector executives throughout Europe, including 1907 from the Nordic countries. The sample used for this book contains data from 19 European countries, including all five Nordic countries—Denmark, Finland, Iceland, Norway, and Sweden—as well as Austria, Croatia, Estonia, France, Germany, Hungary, Ireland, Italy, Lithuania, the Netherlands, Portugal, Serbia, Spain, and the UK. The 19 countries represent different administrative traditions—the Nordic, the Anglo-Saxon, the Germanic, the Napoleonic and the East European. An acknowledgement goes to our colleagues in the COCOPS network and their publications on the database which we draw on in this book. More information about the COCOPS project and links to publications can be found on this website: <http://www.cocops.eu/>.

This book would not have been realized without the support of the Nordic Council of Ministers (Nordic Committee of Senior Officials for Finance) for the ‘Nordic COCOPS Project’ (Project no. 14225). The editors wish to thank all COCOPS partners as well as the Nordic Council of Ministers. Without them this book’s completion would not have been possible. Our thanks also go to the numerous government officials across Europe who graciously shared their knowledge and expertise by answering the questionnaire.

The book has been a joint effort by a Nordic team of seasoned public administration researchers who have contributed to making it a coherent and well-structured monograph: Senior Researcher Niels Ejersbo, Danish Institute for Local and Regional Government (KORA); Professor Carsten Greve, Copenhagen Business School; Professor Gunnar Helgi Kristinsson, University of Iceland; Policy Research and Advice Pétur Berg Matthíasson, OECD; Professor Per Lægreid, University of Bergen; Senior Researcher Lise H. Rykkja, UNI Research Rokkan Centre, Bergen; Adjunct Professor Turo Virtanen, University of Helsinki; Associate Professor Helena Wockelberg, Uppsala University; and Associate Professor Shirin Ahlback Öberg, Uppsala University.

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Introduction: The Nordic Model in Transition

Carsten Greve, Per Lægveid, and Lise H. Rykkja

INTRODUCTION

Denmark, Finland, Iceland, Norway, and Sweden—the Nordic countries—have often been portrayed as efficient, successful economies and democracies with exemplary welfare and security arrangements, and as model states when it comes to government reform. They rank consistently high in well-known indexes such as the World Bank Governance Indicators and the OECD Better Life Index. In 2013, *The Economist* portrayed the Nordic countries as the “next supermodels” of public sector reform, avoiding both the economic sclerosis of Southern Europe and the extreme inequality of the United States. With his metaphor of “getting

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to Denmark,” Fukuyama (2014) suggested that the world should look to the Nordic countries in order to build prosperous, well-governed, and liberal democracies. In his view, the Nordic combination of a strong state, well-functioning rule of law, and responsible democracy is a useful recipe for good government.

Since the 1990s, more attention has been paid to the importance of governance capacity, the quality of government, and a well-performing administrative apparatus in a bid to understand why some countries are more successful than others in looking after their citizens’ welfare and ensuring a high standard of living (Holmberg and Rothstein 2014). This attention to governance capacity and the related “institutional turn” in public administration research has highlighted the need to “bring the bureaucracy back in” (Olsen 2005, 2008). There are many dimensions of good government. In this book, we explore the nature of the government apparatus and its administrative capability, and address the processes, content, and effects of contemporary administrative reforms.

To grasp what “getting to Denmark” actually means, we need to understand the specific features of the Danish and other Nordic political systems. We explore why the Nordic approach to the public sector has apparently been so successful. We ask if and why other European countries should draw lessons for administrative reform from the Nordic countries. The central research question is whether there really is a specific Nordic reform model and what the main similarities and differences are between the five Nordic countries and between the Nordic countries and the rest of Europe. The book seeks to answer the following questions:

- What reform trends are relevant in the public administrations of the Nordic countries, and how have they developed, and in what context?
- What institutional features characterize the state authorities in these countries today—are they similar or different?
- What characterizes the role-identity, self-understanding, dominant values, and motivations of Nordic administrative executives?
- What characterizes the processes, trends, and content of reform in the Nordic countries?
- What is the relevance of different types of management instruments, and is there a special Nordic “mix” of such instruments?

- How important are different elements of NPM and post-NPM reforms in these countries, and do they work? What are their perceived effects?
- How did the Nordic countries deal with the financial crisis of 2008?
- Is there a Nordic administrative model and how is the perceived performance?
- How can we explain the differences and similarities?

The book is a coherent volume based on a unique data set and seeks to assess in comparative and quantitative terms the impact of New Public Management (NPM)-style reforms in the Nordic countries. The view is from the top, based on the assessments of administrative executives in nineteen European countries. The book presents results from a survey developed by a European research team in the largest comparative public management research project yet to be conducted in Europe: the COCOPS project—“Coordinating for Cohesion in the Public Sector of the Future,” funded by the European Commission’s Framework Programme 7. We present the first comprehensive analysis and survey results from the Nordic countries. The book also draws on other publications utilizing this unique data set—working papers and country reports from the COCOPS project (see <http://www.cocops.eu/work-packages/work-package-3>), edited books (Hammerschmid et al. 2016), and book chapters (Hammerschmid et al. 2014; Wegrich and Stimac 2014; Curry et al. 2015). The book project is supported by the Nordic Councils of Ministers.

Public administration scholars have long underlined the need for more quantitative and rigorous comparative research, going beyond single-country, single-organization, and single-reform approaches. Studies of the effects and implications of different reform initiatives are especially scarce. Responding to such concerns, this book offers systematic evidence regarding the context, dynamics, and effects of public administration reform in the Nordic countries, with the goal of producing a comprehensive and systematic picture of public administration after twenty-five years of New Public Management (NPM) reforms.

Within the public management reform literature, the Nordic countries have for a long time been characterized as reluctant reformers or as “modernizers” more than “marketizers” (Pollitt and Bouckaert 2011). In this book, we build on earlier work characterizing Nordic administrative

policy, especially comparative research on administrative reforms in the Nordic countries conducted in the 1990s (Lægreid and Pedersen 1994, 1999) and later studies that placed the Nordic model in a European perspective (Jacobsson et al. 2004). These suggested that the Nordic model was still thriving and represented a distinct approach to administrative reform. One important question is whether this is still the case today. To what degree has the traditional Nordic model of public administration been supplemented by New Public Management reform initiatives, or what have more recently been labeled post-NPM reform trends? Are the Nordic countries moving towards a Neo-Weberian state model, as claimed by Pollitt and Bouckaert (2011), and if they are, what constitutes such a model? Are they increasingly moving towards a “management bureaucracy” (Hall 2012) or a “managerial state” (Clarke and Newman 1997), or are we seeing increased complexity and hybridity in a layering process of different reform trends (Pollitt 2016)? Have the Nordic countries always taken a Weberian approach?

The main contribution of the book is to analyze the current relevance and processes of administrative reforms and management instruments as well as the perceived impact of reforms on public management. It evaluates the effect of NPM on performance as well as on tendencies towards fragmentation in the public sector and the resulting need for coordination. In addition, it focuses on the impact of the financial crisis on administrative arrangements in the Nordic countries.

CENTRAL CONCEPTS AND REFORM TRAJECTORIES: DIVERGENCE OR CONVERGENCE?

Public sector reform indicates change. Not all changes are a result of reforms, however. Think of the changes driven by technological, demographic, or economic factors, for instance. In this book, we see reform as deliberate and intentional change, based on a plan or a program conceived by political or administrative executives. This understanding is narrower than non-intentional change. It also indicates that reforms do not necessarily result in actual change. Some reforms look nice in the world of ideas but run into problems when it comes to adopting or implementing them, and the effects may not be what the reform agent expected. We therefore need to distinguish between ideas and programs, decisions, implementation, and practice. One cannot assume a tight coupling between “talk” and action (Pollitt 2001; March 1986; Brunsson 1989).

There is also an important distinction between *administrative reform* and *policy reform*. The first kind focuses on the internal architecture of the administrative apparatus, such as formal structure and changes in procedures. Policy reforms address policy content and measures directed towards users of public sector services more directly. In this book, the focus is on administrative reforms and not on policy reforms or changes in general. Some administrative reforms can be “big bang” reforms, while others are more incremental. “Big bang” reforms are reforms that proclaim a new approach, for example the “modernization program” in Denmark launched in the 1980s (Ejersbo and Greve 2014), the “Big Society” promised by the UK government in 2011, and more recently the “Smarter State” also promoted by the Cameron government.

Both in the literature about public sector reform and in practice, there has been considerable debate about the central concepts and main governance paradigms and how they relate to each other. To put it briefly, concepts such as “marketization” and “managerialism” dominated the discussion in the 1990s and early 2000s (Hood 1991; Christensen and Læg Reid 2011a). In his seminal article, Christopher Hood (1991) described how a new type of governance based on market-type mechanisms and use of managerial techniques from the private sector—New Public Management—had shaped and influenced developments in the public administrations of the UK, Australia, and New Zealand in the 1980s. There were similar accounts of reforms in the United States and Canada (Aucoin 1990). In the United States, the term “reinventing government” was used to describe the reforms under Clinton/Gore (Kettle 2000). Pollitt and Bouckaert (2011) picked up on this conceptualization and distinguished between, on the one hand, a core NPM group in Europe represented by the UK known as “the marketizers,” and on the other continental European countries like Belgium, Finland, France, the Netherlands, Italy, and Germany (below the federal level), which they termed the “modernizers.” This group also included the Nordic countries. Compared with the Nordic countries, the Southern European countries were characterized as “latecomers” to NPM reform (Ongaro 2009).

The impression at the time was that a new paradigm—NPM—was threatening the “old public administration” (see also Dunleavy and Hood 1994). The public sector was seen as bureaucratic, inefficient, and not responsive enough to the needs of citizens or business. The relatively simple answer was to break down the perceived monolithic public sector into smaller units and give them missions to pursue, while at the same

time supporting them with managerial techniques from the private sector. Executive agencies flourished in the NPM era (Verhoest et al. 2012). A huge source of inspiration at the time were business books like Peters and Waterman's *In Search of Excellence* (1982), which related how business processes could be honed and optimized if only organizations were allowed to pursue excellence. As NPM grew stronger, it evolved into what Donald Kettle (2000) termed "the global public management revolution" after he found evidence of marketization and managerialism in a number of countries around the world.

NPM was intended to streamline organizations and make them more mission-oriented. However, in this endeavor the reforms also made the public sector increasingly complex, with more and more organizations pursuing competing missions. Another issue that NPM had not bargained on was the growing occurrence of "wicked problems" (and the problems of attending to these), and it was also ill-equipped to deal with the major issues confronting governments around the world, such as climate change, environment, labor market policy, and healthcare (Head and Alford 2015; Lægheid et al. 2015). Governments were increasingly collaborating with both private sector companies and with non-government organizations (NGOs) in complex network structures. New ways of collaborating to meet common challenges turned networks and partnerships into potentially attractive structures for public sector managers. A number of scholars noted this trend back in the late 1990s, notably Rhodes in his book *Understanding Governance* (Rhodes 1997) and the Dutch "network scholars" (Kickert et al. 1997). Since the late 1990s, there has been considerable scholarly discussion concerning the extent and importance of such networks. Most scholars agree, however, that such trends have far from eradicated NPM.

Some of the debate on networks and partnerships was summarized by Stephen Osborne (2009, 2011) in his now well-known account of *The New Public Governance* (NPG). In the wake of this publication, NPG has become a convenient and short-hand abbreviation for many things: networks, partnerships, and collaborative structures and processes. The label has, however, yet to be clearly defined. Klijn and Koppenjan (2015), for example, use the term "governance network perspective" to portray a dominant perspective that is separate from both the traditional public administration and the New Public Management approaches.

In the years that followed, the debate raged about whether NPM was "dead" (Dunleavy et al. 2006a, b) or still "alive and kicking" (Pollitt

2003a, b), and whether networks, partnerships, and the NPG perspective were the new paradigm to be used to examine most transformations in the public sector. One thing was clear: NPM was not “the only show in town” anymore. NPM’s strict focus on marketization and managerialism simply did not describe the reality that many public sector managers were living and experiencing in their daily practice. Scholars presented new findings that suggested that work structures were much more complex and that co-production was resulting in more engagement with citizens (Alford 2011) and more use of digital government tools that intersected with ordinary citizens’ lives (Dunleavy et al. 2006a, b). Another key observed trend was that many governments around the world were trying to take back some of the control they had relinquished to individual organizations and managers during the heyday of NPM (Dahlström et al. 2011).

Comparative analysis of public management reforms has shown that the idea of phases in which one global reform doctrine (for example NPM) is replaced by another (for example NPG) does not match the empirical landscape very well (Christensen and Læg Reid 2011b; Pollitt and Bouckaert 2011; De Vries and Nemeč 2013). One observation is that reform elements linked to one specific reform doctrine—agencification and transparency, for example—have a longer history in some countries. Here the Nordic countries stand out: In contrast to the trends in Anglo-Saxon countries, agencification has roots that go back to the sixteenth century in Sweden (Premfors 1991). The Nordic countries were also frontrunners in introducing transparency, freedom of information, and open government, which can be substantiated by reference to the annual ranking of countries in the Corruption Perception Index published by Transparency International (www.transparency.org). Another important observation is that the different reform trends become difficult to separate from each other when one looks at their specific tools and measures. They are often not mutually exclusive (Pollitt and Bouckaert 2011) but rather loose and expanding concepts (Læg Reid 2015).

The later research debate then centered on what was happening to NPM and concluded that it was certainly not the dominant paradigm anymore. However, it was difficult to say what came after NPM. Currently, there is no consensus about what has supplemented NPM. Some notable scholars have begun to address a “post-NPM” paradigm or a “whole of government” scenario characterized by a reassertion of central government in

response to the fragmentation brought by NPM, a greater focus on coordination and the horizontal challenge (overcoming bureaucratic and policy “silos”), and a trend towards larger organizational units and strengthening the political capacity of governments (Christensen and Lægheid 2007b, 2011b). Some of the same issues were raised by Pollitt and Bouckaert (2011) when they proposed the concept of “the Neo-Weberian State” (NWS), in which traditional bureaucratic values are recognized alongside a continuing focus on performance-based management and efficient service delivery to citizens. NWS signals a “friendlier” but more efficient state. The concept was originally meant to be a North European alternative to the more Anglo-centered perspective of marketization and managerialism associated with NPM. The Neo-Weberian State takes a more positive attitude towards the public sector and a less positive attitude towards the private sector and underlines the role of representative democracy and administrative law (Christensen and Lægheid 2012). Compared to traditional bureaucracy this perspective focuses more on citizens’ needs, performance, and the professionalization of public service. Citizens’ participation is claimed to be a more prominent characteristic of the Nordic countries compared with France, Italy, and Belgium, which have been seen as managerial-oriented modernizers. However, the Nordic countries are not only modernizers following user-responsiveness and managerial strategies but have also to some extent adopted competition and marketization strategies, albeit scoring low on privatization (Foss Hansen 2011).

Some scholarly work has also focused on reform pace. At one end of the spectrum there are slow-moving systems and reluctant reformers, such as federal Germany. At the other end, there are fast-pace reformers such as the UK. The Nordic countries are often placed in between. The in-betweeners typically need time to gather the necessary political consensus for reforms. Here, reforms tend to be less radical but they have a good chance of long-term survival and successful implementation (Christensen and Lægheid 2012). Southern European countries, such as Spain, Portugal and Italy, which are characterized by a legalistic and formalistic tradition and a politicized administration, have been placed outside this spectrum, since public management reforms there have had a hard time gaining any kind of foothold (Ongaro 2009; Kickert 2011).

In recent years, most scholars have emphasized that a focus on one of the governance paradigms, be it NPM, NPG, NWS, or post-NPM, does not necessarily mean that the others are obsolete. A main finding has been that administrative reforms have not taken place along a single dimension.

In practice we face mixed models and increased complexity. In line with lessons from institutional theory (both the sociological and the historical variant) (see Peters 2011), one paradigm is not exchanged for another very quickly. Paradigms tend to co-exist as the public sector becomes (even more) complex. International organizations like the OECD have also noted this trend. They have issued reports with titles like “Value for Money: Public Administration after New Public Management” (2010b) and “Together for Better Public Services” (2011). Taken together, these findings make it all the more interesting to examine the mix of governance paradigms and mechanisms in individual jurisdictions.

THE DRIVERS OF REFORMS: PUBLIC MANAGEMENT REFORM DEVELOPMENT MODELS

As explained in the previous section, public management reforms consist of many interrelated elements. This next section considers different ways to study developments in public management reform.

Pollitt and Bouckaert’s (2011, p. 33) model is perhaps one of the most well-known conceptualizations of the reform process. It brings together a number of related elements—(a) socio-economic factors, (b) the political system, (c) crises and unexpected events, (d) elite decision-making, and (e) the administrative system—to explain variations across countries. They envisage a process whereby political actors address a certain socio-economic challenge and elite decision-makers decide how to deal with it. There is a risk that unpredictable events (terrorist attacks, the global financial crisis, the migration crisis) may influence the process, but normally the content of the reform package and its implementation is expected to lead to desirable results and take place within the administrative system. Pollitt and Bouckaert emphasize that reforms in different countries may follow different trajectories and are prone to be influenced by the historical-institutional features of those countries. They also assert that public management reforms are generally open to contradictions, trade-offs, balances, and dilemmas.

The inherently political nature of reforms and their consequences is also a theme running through the work of Beryl Radin (2012), who talks about contradictions in public management reforms. Radin and others like her remain skeptical towards reformers who think that reforms will be a smooth ride and that a technical approach to performance-based management can solve some of the tensions of government policy. International

organizations were typically criticized for painting too optimistic a picture of reform potential (“the OECD story” as Premfors (1998) used to call it), but in recent years organizations like the OECD have issued more cautious and realistic assessments of reform developments and have themselves developed more sophisticated tools and measurements to allow a more nuanced view of reforms (see, for example, the OECD Better Life index, www.betterlifeindex.org). Researchers are therefore inclined to look for contradictions and dilemmas wired into government reform efforts.

Another coherent approach to studying public management reform has been *the transformative approach*. This approach was first articulated by Christensen and Lægreid (2001) and has been used in subsequent studies of public management reforms, especially in the Nordic countries. This is the approach used by this book. The transformative approach sees public sector reform and the ability of the political-administrative leadership to design and redesign the systems as dependent on three sets of contexts that constrain the decisions and actions of public management reform leaders: (a) the formal structural context; (b) the cultural context; and (c) the environmental context, consisting of both the technical and the institutional environment (Lægreid and Verhoest 2010, pp. 6–10; Christensen and Lægreid 2007a). The approach assumes that political-administrative actors pursue reform goals in a purposeful manner but also acknowledges that various kinds of constraints will exist and so reform results are likely to be different than expected. External reform programs are filtered, interpreted, and modified by a combination of two national processes: the country’s political-administrative history, culture, and traditions; and national policy features, as expressed in constitutional and structural factors. Within these constraints, political and managerial executives have varying degrees of leeway to launch, decide on, and implement different administrative reforms via an active administrative policy.

We can conclude that there are many routes to reform and that there is therefore no single-factor explanation for or understanding of the processes and effects of administrative reforms in all situations, at all times, and everywhere (Hood 1991; Pollitt 2001, 2013a, b; Lægreid and Verhoest 2010). Each country’s mix of structural, cultural, and environmental contexts influences how international reform ideas and paradigms are transformed into public action on the ground (Christensen and Lægreid 2013). We therefore expect a heterogeneous picture of reform and not a “one-size-fits-all” model that some of the more streamlined global perspectives have envisaged.

This means, first, that we should stop searching for catch-all generic theories, and second, that we need to take contextual factors into account and ascribe greater importance to national historical-institutional cultures and traditions.

THE EFFECTS OF REFORM

It is a paradox that while many of the contemporary administrative reforms are supposed to produce better results along many dimensions such as efficiency, effectiveness, and service quality, knowledge about their *effects* is rather uncertain and contested. NPM has been around for thirty years, yet there have been few comparative evaluations. Instead, NPM scholars have been preoccupied with the reform *process*, examining the forces driving the reforms while merely speculating about their impact on efficiency and service quality. Effects are often assumed or promised, but there have been few systematic and reliable studies of whether they actually happen. As stated by Pollitt and Bouckaert (2011, p. 159), the NPM reforms do not seem to need results in order to march on. Evidence of efficiency gains has been patchy and incomplete (Andrew 2010), and systematic quantitative empirical investigations over time have been lacking. The result is that there is little hard evidence of whether NPM's main goal of cost reduction and improved efficiency has actually been realized, leaving good, reliable, and longitudinal data on the effects of NPM reforms wanting.

One important exception to this is a study by Hood and Dixon (2015) on the effects of NPM reforms in the UK over a thirty-year period. Their book *A Government That Worked Better and Cost Less?* examines the main hypothesis that NPM reforms would enhance the quality and reduce the costs of public administration. The authors address the paradox that the NPM movement, which was legitimized by a performance argument, in practice was often ideologically driven, pressing ahead with reforms with little regard for confirmation of their efficacy. The UK was one of the first countries to adopt NPM reforms and did so more radically than many other countries. It is therefore a good test case of the NPM hypothesis. If clear cost reductions and quality improvements are to be found anywhere, they ought to be found in the UK. The main finding is that, after three decades of NPM, the UK does *not* have "a government that works better and costs less." In fact, the government now works slightly worse with respect to fairness, and costs a bit more than before. Also, the running costs are higher and there are more complaints. Hood and Dixon's

book represents one of the first systematic evaluations of three decades of reform and is clearly an important reference for future studies of administrative reforms.

Andrews (2010) came to a similar conclusion—that there is weak quantitative evidence that NPM reforms have led to a general improvement in cost-efficiency. Dunleavy and Carrera (2013) showed that NPM strategies such as contracting-out and privatization increased long-term productivity in the public sector only slightly. Based on the COCOPS project, Pollitt and Dan (2013) did a meta-analysis of 519 studies of the output and outcome effects of NPM reforms in Europe. Their conclusion was that our knowledge of effects is weak overall. Most studies have examined effects on activities and processes. A minority have examined output, and only very few have addressed the outcomes of the reforms. The results from different countries and policy sectors show a mixed pattern depending on contextual features such as time horizon, the scope of reforms, and the degree of political salience. A recent study by Dan and Pollitt (2015), however, concluded that NPM could work in Central and Eastern European countries under specific conditions but this optimistic conclusion is contested by Drechsler and Randma-Liiv (2015).

Overall, the findings from the available studies support NPM skeptics more than NPM advocates, although they do not confirm the most radical expectations on either side. When analyzing effects we seem to have to go beyond a narrow concept of effects that focuses on only one set of values such as efficiency and productivity. We also need to address effects on equity, equality, fairness, social cohesion, service quality, and societal effects in general. Thus, internal administrative and operational effects, process effects, and system effects are of interest (Pollitt and Bouckaert 2011).

ADMINISTRATIVE TRADITIONS IN EUROPE AND THE NORDIC MODEL

Different authors have tried to classify and categorize different administrative traditions in Europe. Different families, groups, and hybrids have been identified. Painter and Peters (2010) distinguish between an Anglo-American, a Napoleonic, a Germanic, a Soviet, and a Scandinavian group of countries. Kuhlmann and Wollmann (2014) distinguish between a continental Napoleonic model, a continental federal model, an Anglo-Saxon model, a Scandinavian model, and an Eastern European model.

Classification criteria are both *administrative culture* (rule of law in continental Europe versus public interest culture in the UK and Ireland) and *administrative structure* (unitary or federal, centralized or decentralized). The Napoleonic state tradition is a strong centralized state with conflicts between the state and society, the Germanic tradition is more organic with cooperative relations between the state and society, the Anglo-Saxon tradition has pluralistic state-society relations, and the Scandinavian tradition is a mixture of the Germanic and Anglo-Saxon ones (Lounghlin and Peters 1997). While the Nordic countries have a professional bureaucratic state infrastructure, the Napoleonic states have a more politicized patrimonial structure (Carron et al. 2012). In the first group of countries, administrative positions are merit-based, while in the other group, with the exception of France, appointments in the public sector tend to be based on patronage. The Napoleonic countries are more hierarchical and centralized while the Nordic are more decentralized. The Eastern European administrative tradition combined one-party rule with a unitary bureaucratic state, which implied overarching political control by the party over all parts of the state. The legacy of this administrative tradition in post-communist states is ambiguous (Painter and Peters 2010). While some see a total collapse of the old system, others have identified a number of path dependencies.

This book is about the experience of the Nordic countries. While some studies refer to Scandinavia, meaning Denmark, Norway, and Sweden, we use the term Nordic and include Finland and Iceland as well. We employ the term “Nordic model” throughout this book, and make a note only if there are important aspects of work referring solely to Scandinavia. Generally, in comparative public administration most scholars point to a specific Nordic model. This model overlaps with the administrative profile of the continental European federal countries, because they both are rooted in the Roman Law tradition. A main difference, though, is that the Nordic model has a more open recruiting and career system and its public administration is more accessible, open, and transparent to citizens. The Nordic countries also have a decentralized administrative structure and strong local government, and they give local authorities and agencies a high degree of autonomy (Kuhlmann and Wollmann 2014).

Painter and Peters (2010) state that the Nordic countries have a strong welfare-state orientation and a professional, non-politicized administrative apparatus with a high status and a consensual style of policymaking. They

also claim, however, that the Nordic countries differ from one another along a number of structural dimensions. For example, Norway is supposed to be more unitary while Denmark and Sweden have stronger local government. Sweden has been characterized as a front-runner in political decentralization (Kuhlmann and Wollmann 2014) while others place Sweden and Finland in an intermediate position along a centralized-decentralized state structure dimension (Pollitt and Bouckaert 2011). Sweden's executive government is more majoritarian while Finland's is more consensual. Minority governments have become common in Sweden over the past decades, however.

A Nordic Model

The five Nordic countries are all small states in the north of Europe. Norway, Sweden, Finland, and Denmark have between five and nine million inhabitants. Iceland is particularly small, with only 330,000 citizens. Denmark, Norway, and Sweden are constitutional monarchies while Iceland and Finland are republics with a president as head of state. They are all representative democracies and unitary states that combine political and administrative decentralization. The doctrine of local self-government is strong. Much of public sector service provision is the responsibility of local government, which also accounts for a major part of the financial and personnel resources in the public sector. At the central level, ministries and semi-independent agencies are core bodies and have typically been around for a long time. Central agencies are more numerous and also normally larger than ministries. This means that the overall capacity of central agencies is much greater than that of ministries. Except for Sweden, the Nordic countries all apply the doctrine of *ministerial responsibility*, meaning that the minister is responsible for the portfolios of subordinate agencies and bodies. This means that sectoral and vertical coordination within different "silos" is relatively strong, while cross-sector issues and horizontal linkages are correspondingly weaker. In Sweden, the central agencies are accountable to the cabinet as a collegium and not to their parent ministry.

The Nordic countries are multi-party, parliamentary states, and their governments are normally coalition governments. Except for in Finland, minority governments are common. Their administrative-cultural traditions have important common features. The Nordic administrative apparatuses are characterized by merit-based bureaucratic professionalism, in contrast to a patrimonial Napoleonic culture. The level of corruption

is low and *Rechtstaat* values are considered to be strong. The structure of the administrative apparatus is pretty similar in all of them. Except for Iceland, they all have a three-level system, consisting of local government, regional government, and central government. Finland, Denmark, and Sweden are members of the European Union, while Norway and Iceland are economically integrated in Europe through the European Economic Area (EEA) agreement, but they are not part of the political union of the EU.

The public sector in the Nordic countries is broad, mainly owing to a generous, universal welfare state and a good economic and financial situation. Except for Iceland, the Nordic countries were not heavily affected by the global financial crisis (GFC) in 2008 compared with other parts of the world. Norway, in particular, with its oil and gas revenues, managed to avoid the financial crisis that hit most European countries (see Chap. 9). Kickert and Randma-Liiv (2015) have recently published research on the repercussions of the GFC for administrative systems in Europe.

The Nordic countries are consensus-oriented with well-developed corporatist arrangements and there is a long tradition of the integrated participation of private sector stakeholders in policy-making. The decision-making style is more collaborative than confrontational, and pragmatism and incrementalism have been typical of the reform process. Citizens' trust in government is generally higher than in most other countries (Rothstein and Stolle 2003), resulting in a rather strong statist tradition. The Nordic political and administrative system is also known for its openness and transparency. As is routinely reported in international comparisons, equality/equity and collectivism are more typical cultural features than elitism and individualism.

A MOST SIMILAR SYSTEM DESIGN

In this book we mainly apply what is often referred to as a “most similar system design” (Przeworski and Teune 1970). The Nordic countries share a lot of common characteristics. At the same time, there are significant differences that allow for variations in important explanatory factors (Jacobsson and Sundstrøm 1999, 2004). The design aims to reveal different outcomes in countries that have many common features. One example is that Sweden, in contrast to the other Nordic countries, does not apply the principle of ministerial responsibility; another is that Norway and Iceland are not members of the EU whereas the other Nordic

countries are; a third is that Iceland was more heavily affected by the 2008 financial crisis than the other countries. The method aims to identify as few independent variables as possible that clearly vary among the Nordic countries, and in this way to find the most important explanatory factors for variation in the dependent variables. The premise is that the Nordic countries exhibit a lot of similarities, so that any variation must be understood against a background of considerable homogeneity.

THE MODEL OF ANALYSIS

This book aims to be both descriptive and explanatory (Fig. 1.1). We present our data in a two-step analysis, first of all outlining how respondents overall answered specific questions and how these responses varied (a) across the Nordic countries and (b) between the Nordic countries and other families of European countries. This reveals to what extent the Nordic countries differ from each other and from countries belonging to other European administrative traditions. We then perform some multi-variate analyses with selected variables to explain the differences between the Nordic respondents.

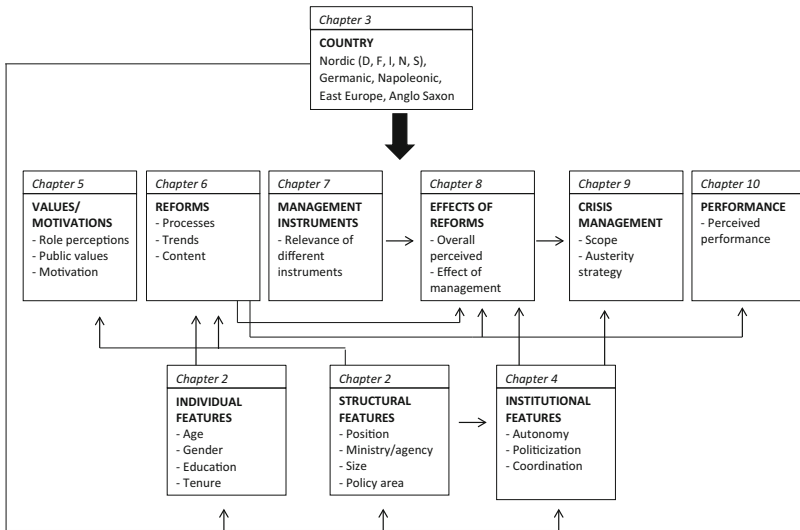


Fig. 1.1 Research design

Dependent Variables

We operate with five sets of dependent variables that will be addressed in separate chapters. First, we address values and motivation (Chap. 5), that is, what kind of role perceptions, public service orientation, and the motivation of executives may have. Second, we examine administrative reforms by looking at reform processes, trends, and content (Chap. 6). Third, we study more specific administrative instruments by focusing on the relevance of different instruments in a traditional administration and under NPM and post-NPM (Chap. 7). Fourth, we address the perceived effects of administrative reforms (Chap. 8). Fifth, we examine crisis management and how different countries have coped with the financial crisis (Chap. 9), examining the scope and depth of the crisis and the different austerity strategies. Finally, we describe the overall perceived performance of the public administration and draw some conclusions regarding the Nordic model (Chap. 10).

Independent Variables

In looking for relevant explanatory variables we apply a country-focused perspective. An account of the reform and country context (Chap. 3) substantiates the country-focused perspective and looks for explanations in national historical-institutional traditions. The assumption is that if a Nordic model indeed exists, we will find only small differences between the Nordic countries. The main independent variables are countries or families of countries. We compare the five Nordic countries with each other but also with other European administrative traditions or models.

The second group of independent variables is structural features of the polity. This includes both institutional polity features such as degree of politicization, autonomy, and coordination capacity (Chap. 4), and structural-organizational features such as position, type of organization, policy area, and size. The third group of independent variables is demographic or individual features such as age, education, gender, and tenure (Chap. 2). All chapters analyze variations across countries, but different combinations of institutional, structural, and demographic features are used in each chapter. When it comes to variations in perceived effects, these are also seen in relation to the relevance and use of different reform trends and management instruments.

OUTLINE OF CHAPTERS

Chapter 2 on “Data, Methods, and Structural and Individual Characteristics” by Per Læg Reid and Lise H. Rykkja presents the COCOPS survey, an original survey of public sector senior executives in nineteen European countries that focuses on New Public Management reforms and their impact in Europe. The survey was launched in the five Nordic countries between 2011 and 2014. The chapter describes the main steps in the survey’s implementation, including drawing up the guiding principles for the survey design, deciding on the key methodological principles, framing the questions, and conducting the survey in the five Nordic countries. It also discusses the limitations and advantages of the survey and the data collected. It provides details of the response rates, how the units and positions were selected, and the features of the respondent population including organizational affiliation, position, size, and policy area as well as demographic features such as age, education, gender, and tenure.

Chapter 3 on “Reform Context and Status” by Carsten Greve and Niels Ejersbo examines the context of reform in the Nordic countries. It describes the economic challenges and main policy challenges faced by each country, and briefly reviews its known reform trajectories. The chapter focuses on the countries’ recent reform narratives and discusses whether there has been a common Nordic reform narrative. The main reforms and contemporary reform programs in the different countries are described. The authors also present and discuss the East Nordic and West Nordic models and outline the administrative traditions and models in other parts of Europe.

Chapter 4 on “Nordic Administrative Heritages and Contemporary Institutional Design” by Shirin Ahlbäck Öberg and Helena Wockelberg addresses the degree of autonomy, politicization, and coordination capacity in the Nordic countries, comparing them with each other as well as with other European models. The importance of the East Nordic model is addressed, as is the ministry-agency divide. In terms of autonomy, a distinction is made between managerial autonomy and autonomy in policy-making and policy implementation. The chapter looks at the question of increased politicization of the administration, that is, the degree to which politicians accept the professional expertise of senior civil servants. The chapter also examines coordination capacity, addressing hierarchy and network arrangements as well as the quality of coordination along the vertical and horizontal dimensions.

Chapter 5 on “Roles, Values, and Motivation” by Turo Virtanen presents a comparative analysis of the role-related understandings, public service related values, and motivations of senior executives among the Nordic countries and between the Nordic countries and other European country groups. Public sector reforms have strengthened the autonomy of public organizations by means of increased agencification, managerial authority, and performance-based management. Knowing more about the aspirations and beliefs of senior executives contributes to a better understanding of the dynamics of public organizations and attempts to reform them. The roles, values, and motivation of top officials are linked in many ways to the foundations of the social and political order and administrative cultures. The dichotomy of politics and administration brings with it assumptions about proper roles and key values of civil servants. In this study, the role-related understandings, values, and motivations of public sector executives are linked to the doctrines of New Public Management, the Neo-Weberian State, and New Public Governance, to different policy areas, ministries, and agencies, in each reflecting the variation between these different doctrines, policy areas, and administrative organizations.

Chapter 6 on the “Administrative Reform—Processes, Trends, and Content” by Per Læg Reid and Lise H. Rykkja describes the processes, main trends, and content of administrative reforms. Regarding processes the chapter distinguishes between top-down versus bottom-up and planned versus crisis-driven and looks at the degree of public involvement, union participation, and political involvement. It examines the importance of different New Public Management and post-New Public Management reform trends in the five Nordic countries. Typical NPM reforms include the creation of autonomous agencies, contracting out, privatization, and management by objectives and results, while typical post-NPM reforms focus on issues such as collaboration and coordination within the public sector, and citizen participation. The relevance of digital government, transparency, and reducing red tape is also addressed. Regarding content, the chapter addresses the consistency and comprehensiveness of the reforms, whether they are substantial or symbolic, and whether they are about cost-cutting or service improvement. The central research question is whether central government executives in the Nordic countries perceive these reform processes, trends, and content in similar or different ways, and how their perceptions differ from the views of top administrative executives in other European countries. The importance of country differences as well as organizational and demographic features is analyzed.

Chapter 7 on the “Relevance of Management Instruments” by Niels Ejersbo and Carsten Greve examines the relevance of management instruments. Public organizations use a large variety of management instruments, some of which have a major impact on organizations while others are used only sporadically, creating a mix of management instruments. Management instruments or tools can have an important function in internal regulation and in public sector reform. These characteristics call for independent analyses of the role of management instruments. This chapter examines the mix of management instruments in the Nordic countries and analyses similarities and differences between the Nordic countries and other groups of European countries. We also look for similarities and differences between the Nordic countries, trying to identify specific national trends and explain national differences. The management instruments examined include performance appraisals, strategic planning, performance management, codes of conduct, risk management, quality management, user surveys, decentralization of personnel and finance, one-stop shops, benchmarking, contract steering, and pay for performance.

Chapter 8 on the “Success in Reforming Administration—What Matters?” by Gunnar Helgi Kristinsson, Pétur Berg Matthíasson, and Turo Virtanen addresses public sector executives’ overall assessment of the success or failure of administrative reforms in their own countries in recent years. It also examines how authority structures, reform emphases, and decision-making processes affect the degree to which reforms are perceived as successful. The aim is to identify how administrative autonomy, reform trends, and approaches to decision-making in Nordic and other European countries affect the success of administrative reforms. Despite being a special area of public policy, data on the effectiveness of administrative reforms have been rather limited and the subject has been a challenge for many scholars in the past. Evaluating the effectiveness of administrative reforms can present difficulties, as there are few well-tested theories to facilitate a better understanding of the subject. Today, there are still many countries that have implemented extensive reforms without knowing much about the results.

Chapter 9 on “Managing the Financial Crisis” by Gunnar Helgi Kristinsson and Pétur Berg Matthíasson looks at how the Nordic countries and the other European countries coped with the 2008 financial crisis. Iceland is a special focus. The study treats the financial crisis as an independent variable explaining possible changes in governmental decision-making. The aim is not so much to explain the crisis per se as to

provide insights about the effects of the crisis, for example on the agenda of administrative reforms, administrative structures, and the outcomes of reform measures. The scope and depth of the crisis are described, as well as different austerity strategies. An attempt is made to analyze the depth of the financial crisis in different countries as a way of explaining why countries responded to the crisis differently.

The concluding Chapter 10 by Carsten Greve, Per Læg Reid and Lise H. Rykkja takes stock of the main themes and discussions raised in the preceding chapters. What characterizes contemporary Nordic public administration regarding politicization, autonomy and coordination? What are the role-related perceptions, public sector values, and motivations of administrative executives? What characterizes reform processes, content and trends, how are different management tools used in each country, and what are the effects of the reforms? What can explain the differences? It also examines the perceived performance of public administration in the Nordic countries and beyond. A core question is how the Nordic countries differ from other European countries. Is there really a Nordic reform model, and if there is, what characterizes it?

Data, Methods, and Some Structural and Individual Characteristics

Per Lægveid and Lise H. Rykkja

INTRODUCTION

This book sets out to assess in comparative and quantitative terms the processes, content, and impact of contemporary administrative reforms in the Nordic countries and elsewhere using an opinion survey of top administrative executives. The book builds on a unique data set and presents survey results from the COCOPS project—“Coordinating for Cohesion in the Public Sector of the Future”—funded by the European Union’s Seventh Framework Programme.¹ Public administration and public management scholars have long underlined the need for more quantitative and rigorous comparative research that goes beyond single-country, single-organization, and single-reform approaches. Studies of the effects and implications of different reform initiatives are especially scarce (Pollitt and Dan 2013). Responding to such concerns, this book offers systematic

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evidence of the context, dynamics, and perceived effects of public administration reforms in the Nordic countries and aims to produce a comprehensive and systematic picture of public administration after twenty-five years of NPM reforms. This chapter presents the COCOPS survey and the section of it used for the book and discusses important advantages and limitations of the data set.

THE COCOPS EXECUTIVE SURVEY

The COCOPS project resulted in one of the largest online data collections on public sector reform available. The online survey used for this book covers nineteen European countries, including all five Nordic countries—Denmark, Finland, Iceland, Norway, and Sweden—as well as Austria, Croatia, Estonia, France, Germany, Hungary, Ireland, Italy, Lithuania, the Netherlands, Portugal, Serbia, Spain, and the UK. The nineteen countries represent different administrative traditions. In this book, we divide these countries into five “families” (Painter and Peters 2010): the Anglo-Saxon countries (the United Kingdom and Ireland), Eastern Europe (Croatia, Estonia, Hungary, Lithuania, and Serbia), the Napoleonic countries (France, Spain, Portugal and Italy), the Germanic countries (Germany, Austria, and the Netherlands), and the Nordic countries (see Chap. 1).

Preparing the survey involved three essential challenges concerning the design of the questionnaire: first, a sample design was required that would allow systematic comparative analysis; second, an access strategy was needed to produce (statistically sufficient) high response rates; and third, the design and translation of the questionnaire had to ensure conceptual equivalence between all countries. The survey methodology was handled by the COCOPS research team.² As a general principle, the survey team opted for a balanced and pragmatic approach that offered maximum equality and comparability while still allowing for sufficient flexibility within each country’s context (Hammerschmid et al. 2013a).

The survey methodology aimed to preserve a balance between standardization (to achieve equivalence of responses across countries) and flexibility (ensuring a sufficient number of valid responses in each country). The goal was comparability of respondents and their answers. As a result, the questionnaire design and core population definition were standardized. The more fine-grained sampling aspects and data collection at the national level were more flexible. To create a favorable balance between standardization and country-level adaptation, the country teams

were closely involved in the design of the survey and were asked to incorporate as much local knowledge as possible to ensure adequate adaptation to national structures and languages. The survey lead was supervised by a central team, which oversaw all partner countries and decided on standard principles in order to preserve overall comparability.

The survey was based on an original 231 item questionnaire developed by the COCOPS research team and divided into four parts: (1) general information (organizational characteristics); (2) organizational management and working practices; (3) public sector reform and the fiscal crisis; and (4) attitudes, perceptions, preferences, and personal information about the respondents. It collected information on performance and management techniques, interactions with politicians and stakeholders working in the public sector, public sector changes during the five years prior to the survey, reforms within specific organizations and policy sectors, and the perceived effect of the fiscal crisis on public organizations.

The core English-language questionnaire was translated into the respective countries' language(s) and adapted to national structures by local teams as well as piloted nationally. Depending on which access strategy best fit the country's administrative culture, the survey was then sent to respondents via email, regular post, or both, and was available online in all countries.

The survey was based on a full census of all central government ministries and agencies. Central government is defined here as central government ministries (full census for all countries) and central government agencies (full census or selection of the most relevant ones). Local government and service delivery levels were not included, nor were state-owned enterprises and audit courts, owing to their different repertoire of tasks. The regional level was excluded, except for the federal states of Germany and Spain.

The population targeted by the research team was top-level administrative executives. This group was assumed to have the experience necessary to assess overall developments and trends within public administration on both an organizational and policy field level. In general, top executives can be viewed as crucial informants regarding the state of an administration, given their privileged vantage point, their own role in policy-making, and their influence on the choice and implementation of reforms. The survey therefore targeted all high-level central government executives holding positions in which they could be expected to be involved in public administration reform processes. Generally, the survey targeted the top three administrative levels in the ministries and the top two levels in the

agencies. There were some exceptions to this rule in order to ensure a consistent sample and sometimes for pragmatic reasons. In Denmark, for instance, the highest level of executives in the ministries was not included, because previous experience had shown that it was difficult to get top executives to answer such questionnaires.

The first phase of the original survey was conducted in eleven countries in 2012. In addition to the ten original COCOPS partners (Belgium, Estonia, France, Germany, Hungary, Italy, the Netherlands, Norway, Spain, and the UK), this first survey also included Austria. The second phase followed during the course of 2013 and lasted until early 2015. Nine additional countries were included (Croatia, Denmark, Finland, Iceland, Ireland, Lithuania, Portugal, Serbia, and Sweden). Following the data collection phase, the raw survey responses were cleaned up and harmonized. In each case the country team participated in recording and validating the final data sets.

The responses from central governments in the nineteen countries included in this book add up to 7077 top executives. This represents a 28.3 % response rate (Table 2.1). The overall response rate for the Nordic countries was slightly higher: 35.4 %. Although this too might be considered rather low, we would contend that within the social sciences and especially within public administration research, it is generally considered to be acceptable. In general, written standards or conventions for reporting response rate information or deciding minimum thresholds is rare within the social sciences (Carley-Baxter et al. 2009). Considerable differences can be expected between countries, depending on, among other things, the frequency with which top officials have already been targeted in surveys (more in the UK, for example), proximity to national elections, the number of officials new in their position (more in Spain), and the level of direct support from public sector organizations in fielding the questionnaire and encouraging officials to participate (higher in Finland, Serbia, and Sweden, for example).

In total, 1907 of the respondents in the survey were from the Nordic countries. The respective response rates varied from 51 % in Iceland to 40 % in Sweden and Finland, 28 % in Norway, and 19 % in Denmark. Hence, the survey does not claim full representativeness for the data. However, with its more than 7000 responses in nineteen European countries, it represents by far the largest comparative executive dataset in Europe and a reliable proxy for public administrations in the countries covered.

Table 2.1 Response rates for central government sample as used throughout this book

<i>Country</i>	<i>Invitations Sent</i>	<i>Responses</i>	<i>Response rate (%)</i>
Austria	1407	493	35.0
Croatia	650	176	27.1
Denmark	758	147	19.4
Estonia	913	318	34.8
Finland	1742	703	40.4
France	3403	587	17.2
Germany ^a	1955	445	22.8
Hungary	924	250	27.1
Iceland	392	200	51.0
Ireland	980	375	38.3
Italy	971	172	17.7
Lithuania	1098	432	39.3
Netherlands	670	196	29.3
Norway	1197	334	27.9
Portugal	1038	296	28.5
Serbia	1644	880	53.5
Spain ^b	1684	297	17.6
Sweden	1293	523	40.4
UK	2325	253	10.9
Nordic	5382	1907	35.4
Total	25,044	7077	28.3

^aAlso including ministries (but not agencies) at state government level

^bAlso including ministries (but not agencies) at regional government level

AN OVERVIEW OF THE SURVEY POPULATION

The survey was conducted in Norway in 2012 and in the other four Nordic countries in 2013/2014. Table 2.2 gives an overview of the distribution of the respondents. The majority of respondents from the Nordic countries worked in central agencies, and more than half of them held positions at the top two administrative levels. More than one third worked within the policy area we label “traditional”—that is, general government, foreign affairs, finance, defense, and justice/public order and safety. About a third worked in the welfare sector, covering employment services, health, other social protection and welfare, education, and recreation/culture/religion. Twenty-three percent worked in the economic policy area, that is, economic affairs, infrastructure and transportation, and environmental

Table 2.2 Structural characteristics of the COCOPS survey population in percentages

	<i>Anglo-Saxon</i>	<i>East Europe</i>	<i>Germanic</i>	<i>Napoleonic</i>	<i>Nordic</i>	<i>Denmark</i>	<i>Finland</i>	<i>Iceland</i>	<i>Norway</i>	<i>Sweden</i>
Structure										
Ministry	51	37	52	72	21	30	22	21	41	3
Agency	49	63	48	29	79	70	78	79	59	98
Position										
Level 1	25	18	27	17	18	23	9	50	14	18
Level 2	38	48	42	42	38	33	36	32	17	59
Level 3	37	34	31	41	44	44	55	18	69	23
Policy area										
Traditional	48	46	33	37	41	34	45	39	39	38
Economic	22	29	25	26	23	31	31	15	21	13
Welfare	30	25	41	37	37	35	23	46	39	49
Organization size										
<100 employees	14	35	24	16	17	4	10	71	12	15
100–1000 employees	36	50	41	45	58	80	71	29	67	40
>1000 employees	51	15	35	39	25	16	20	1	21	45

protection. Most of the executives surveyed worked in medium-sized organizations, that is, organizations with 100–1000 employees.

There were some interesting variations. Within the Nordic countries a high proportion of the Norwegian population came from the ministries, while in Sweden the majority of the responses came from the agencies. The low number of respondents in Swedish ministries is partly due to their small size and rather few top positions but also due to the fact that many of the top positions (State Secretaries) are dual administrative and political positions and were thus excluded from the survey. Finland had few responses from the first, highest administrative level, and Iceland had many. In Norway many of the responses came from level three. Finland had few respondents from the welfare administration, whereas Sweden had many. In Iceland organization size was small, and in Sweden it was large, mainly due to big central agencies. Compared to the rest of Europe, there were more respondents from agencies. The respondents in Eastern Europe belonged to smaller organizations, whereas those in the Napoleonic countries tended to belong to larger organizations than those in the Nordic countries.

Table 2.3 shows the demographic characteristics of the respondents. Most of the executives were between thirty-six and fifty-five years old, although a considerable number were older. The majority were male, although the share of female respondents was higher in the Nordic and Eastern European countries. The majority had a master's degree. Overall, no single educational group dominated. Also, there were only small differences in tenure, with the exception of the Napoleonic countries where almost half of the respondents had been working for their organization for less than five years.

There were some differences between the Nordic countries. The executives in Iceland were older and had stronger male dominance. Denmark also had a high proportion of male executives. Most of them were educated to the master's level and a high proportion had a background in natural sciences and engineering. Finland had many respondents with a PhD and Sweden had many with a bachelor's degree but also a high proportion of executives trained in the humanities and social sciences. Compared with the rest of Europe, the Eastern European executives were younger and more of them had a master's degree, especially in natural sciences and engineering. The Anglo-Saxon executives had more respondents with a bachelor's degree, especially in business management and economics. More of the Germanic executives were male and many of them

Table 2.3 Demographic characteristics of the COCOPS survey population in percentages

	<i>Anglo-Saxon</i>	<i>East Europe</i>	<i>Germanic</i>	<i>Napoleonic</i>	<i>Nordic</i>	<i>Denmark</i>	<i>Finland</i>	<i>Iceland</i>	<i>Norway</i>	<i>Sweden</i>
Age										
<45	22	37	18	33	20	37	19	16	20	19
46-55	48	38	48	40	42	39	46	32	41	43
>56	30	26	35	27	38	25	35	52	39	38
Gender										
Male	67	50	75	66	58	68	57	67	59	50
Female	33	50	25	34	42	35	43	34	41	50
Education level										
BA	35	9	4	30	18	7	4	12	17	46
MA	55	86	64	62	65	87	70	80	76	36
PhD	10	6	33	8	17	5	26	8	7	18
Education subject										
Law	10	21	34	23	17	13	21	22	12	13
Business Management/ Economics	32	27	19	22	20	12	13	28	26	20
Political Science/PA	11	7	9	16	15	25	11	13	17	12
Other Social Sciences/ Humanities	20	9	14	11	19	4	17	14	19	26
Natural Sciences/Engineering	12	29	19	20	18	38	26	13	15	16
Other	18	12	8	10	16	11	16	12	17	16
Tenure in current org.										
<5 years	22	24	24	49	28	33	22	23	32	34
5-10 years	22	21	20	15	20	24	18	28	21	19
10-20 years	26	36	30	20	28	24	28	26	30	28
>20 years	30	20	27	16	24	19	33	24	18	19

were trained in law, while the Napoleonic executives tended to have had a shorter tenure in their current organization.

DATA STRENGTHS AND WEAKNESSES

The data set is based on an original, large-scale online survey of executives' opinions, perceptions, and experiences with regard to public sector reform in central government. The data set is unique in the sense that it for the first time provides genuine comparative data on these issues from all five Nordic countries. Furthermore, the survey makes it possible to compare the views of the Nordic top administrative executives with their colleagues in the rest of Europe.

An important aspect, which sets the COCOPS survey apart from most other executive surveys in public administration, is that it represents a full census of the target population. Owing to the relatively low response rate, the survey cannot claim full representativeness, however. Nevertheless, it can be regarded as a good proxy and it is by far the largest comparative data set for European public administrations collected up till now. In spite of these advantages there are some limitations that need to be addressed: namely, the problem of equivalence, the problem of attitudes, the focus on the top level, and the lack of time series (Van de Walle et al. 2016a, b).

The Problem of Equivalence

Our book covers nineteen countries belonging to quite different administrative cultures, and this has implications for many basic ideas about the role and position of the state and the use of different management instruments. A central problem in comparative research is equivalence (Przeworski and Teune 1970): Are we comparing "like with like"? Three types of equivalence matter in this regard: conceptual equivalence, measurement equivalence, and population equivalence (Van de Walle et al. 2016a, b). First, issues of conceptual equivalence are problematic in the study of administrative reforms because such reforms are characterized by vague and country-specific terminology and reform types. National administrations have management practices that may be very similar yet appear under different labels, or else have the same label but different content. The same labels may also have very different connotations in different settings. Thus, the concept New Public Management was deliberately not used in the survey. Secondly, cross-national surveys raise issues

of procedural or measurement equivalence: Are the scales used in the questionnaire interpreted in a comparable way across countries? Many of the questions in our survey used a 1–7 Likert scale, through which respondents were asked to assess to what degree certain instruments were used—“not at all” or “to a large extent”—or whether their autonomy was “very low” or “very high.” How respondents approach such scales might depend on the baseline they use for answering and this might be affected by the wider state of reform within their country. Apart from this, other traditional measurement errors apply to this cross-national survey, such as acquiescence bias, social desirability, and extreme response styles.

Finally, there is the issue of population equivalence: Is the population we are surveying comparable across countries? What seemed straightforward at first turned out in the course of designing the survey to be one of the most challenging questions: How can we define “top level public sector executives”? In order to deal with this problem, detailed maps of the different countries’ top administrative leadership structures were made and assessed by different country teams (Hammerschmid et al. 2013b). With the help of the country teams, the COCOPS survey team first identified the most relevant decision-making levels and individuals in each country and then sent the survey to all such individuals in the higher ranks of the administration. Finding the correct information proved to be harder in some countries than in others. In the end, this meticulous work amounted to a full census of top-level public administration executives in each country. However, as often happens in public sector surveys in our time, the overall response rate was quite low. This makes it somewhat difficult to tell whether the respondents are representative for all administrative executives in the European countries. This is especially the case for some countries with a low response rate, such as Denmark.

The Problems of Perception, Top Level Focus, and the Lack of Time Series

Relying on the views of top-level public sector executives has some implications for the overall findings. What we find is no more and no less than the views and perceptions of these top public sector executives. The results are not, and should not be interpreted as, objective measures of reform trends and content. Access and privacy issues made it impossible to directly link top public executives to a specific organization or organizational unit. This also makes it impossible to link the subjective data to more objective organizational indicators and data.

Another issue is that the COCOPS data may be subject to what is known as the common method bias. Using the same survey respondents to measure information on both independent and dependent variables might produce a false-positive correlation between the two sets of variables (Meier and O'Toole 2013; Jakobsen and Jensen 2015). This problem is reduced by the fact that we mainly used more objective variables such as country, position, administrative level, and demography as independent variables.

The data still gives us a lot of information, and this is perhaps as close as we can get to assessing reform trends and the use of administrative instruments. The administrative executives were specifically targeted owing to their unique position within the public administration. Being at the top, they were expected to be both reliable and experienced and therefore better placed than most to give an overview of their organization's overall performance. That said, it might nonetheless be unclear whether the respondents were answering on behalf of themselves or the organizations they worked for. Some questions specifically stated that the information sought was related to the organization the respondent worked for, whereas others merely asked for the respondent's personal opinion. In practice it may be difficult to draw a clear distinction between personal reflections and organizational observations even if the questions are formulated with a view to doing precisely that.

The main argument is that perceptions make a difference. A further assumption is that there is a mutual relationship between the identity perceptions of administrative executives and their behavior. Role perceptions guide the behavior of executives and provide "conceptions of reality, standards of assessment, affective ties and endowments, and a capacity for purposeful action" (March and Olsen 1995; Trondal 2007, 2010). The role perceptions are important because they provide generalized recipes and frameworks for action. There are no guarantees that perceptions will translate into behavior, but we can assume that they will serve as cognitive and normative frameworks that will enable or constrain behavioral patterns.

A common critique of elite surveys such as the COCOPS survey is that they are usually focused on a limited selection of individuals at the top of organizations. As these individuals are sometimes disconnected from the processes going on at lower levels in the organization and naturally wish to portray their organization in a positive light, such an approach may well provide a biased picture of the respective organization(s). Overreliance on the opinions of a limited selection of individuals at the top silences a

significant number of alternative, more diverse voices. The survey does not give any information on how these issues are seen by “street level bureaucrats” or by service delivery bodies and civil servants working in local and regional government, for instance. Respondents at the top of an organization might see the performance of their own organization more favorably than others would.

The survey also taps perceptions at a certain point in time. This makes it difficult to reveal specific reform trends and changes over time. Here we can only reveal a cross-sectional snapshot of the situation in 2012–2014. We therefore know less about different starting points, phases of reform, and developments over time. This makes it difficult to claim causalities, and we mainly have to stick to covariations. These are important points to consider when interpreting the results.

OTHER DATA SOURCES

In addition to the COCOPS survey itself, the book makes use of several other publications based on the survey (Curry et al. 2015; Hammerschmid et al. 2016; Hammerschmid et al. 2014; Wegrich and Stimac 2014) and also a rich secondary literature on administrative reforms in the Nordic countries and the rest of Europe. To some extent, the individual chapters also make use of official reports and data from international organizations and foundations such as the OECD, the World Bank, and the Bertelsmann Foundation (OECD 2015a, b, c; World Bank 2015; Bertelsmann Stiftung 2016) and from other research institutions (Hertie School of Governance 2014).

CONCLUSION

In spite of the limitations mentioned here, the data set employed in our book provides a rich empirical backdrop against which our theoretical arguments can be assessed. The individual chapters use multiple acknowledged statistical techniques supported by previous research in public administration and the social sciences. The authors also use secondary sources to support their analyses. For the purposes of this book, the COCOPS survey has real value. We are, for the first time in public administration and management research, able to measure variations in top level executives’ assessment of dominant reform trends across the five Nordic countries. We are also able to compare their assessments and perceptions with those in the rest of Europe in a systematic way. All in all, this provides us

with crucial new insights into the dynamics of public sector reforms in the Nordic countries and Europe.

This chapter has provided individual profiles of administrative executives and the structural characteristics of the organizations they work for. Overall, the variation in organizational context is larger among the Nordic countries than between the Nordic countries and the other families of European countries. The agencies seem to have a stronger footing in the Nordic countries than in the rest of Europe. Regarding individual profiles, there are some interesting variations, for example between the Nordic countries and the Germanic countries, with top administrators in the latter tending more often to be men and to be trained in law. To sum up, the structural characteristics and individual profiles do not point to a very clear Nordic model. There are both significant variations among the Nordic countries and similarities with the rest of Europe. Owing to the relatively low response rate, we cannot claim that the respondents in our survey are representative of the whole population of top civil servants in central governments in the Nordic countries and beyond when it comes to individual characteristics and organizational features.

NOTES

1. The COCOPS project received funding from the European Union's Seventh Framework Agreement under Grant Agreement No. 266887, Socio-economic Sciences and Humanities, from 2011–2013.
2. The COCOPS research team included researchers from 11 European universities in 10 countries. The authors of this chapter participated in the project. For more information, see www.cocops.eu.

Reform Context and Status

Carsten Greve and Niels Ejersbo

INTRODUCTION

This chapter examines the context for administrative reform in the Nordic countries. Context is important in public policy and management, according to Pollitt (2013a, b). The chapter will provide the context in the shape of the organization of the public sector in the Nordic countries. The rest of the chapter will focus on how reform narratives have occurred in recent years and discuss if there has been a common Nordic reform agenda towards either convergence or divergence (Pollitt 2001). The main reform trends and contemporary reform programs in the different countries will be described. In focus is the administrative capacity (Lodge and Wegrich 2014) of each Nordic country.

The main research questions are: How are the Nordic public sectors structured? How has socio-economic context influenced the way the

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reforms have been carried out in the public sector? What are the key features of the Nordic administrative reforms?

This chapter takes its point of departure in the different country reports that were submitted in the COCOPS project. The aim is to get an overall description on the major reform trends, including a discussion of whether different types of governance forms (New Public Management, New Public Governance/post-NPM, Neo-Weberian State) were emerging as dominant. The COCOPS data will be supplemented with data from OECD, the World Bank (worldwide governance indicators) and other international data sets on the countries' administrative reforms and administrative capacities. Theories on public management reforms (Christensen and Lægread 2001, 2007a, 2011a; Pollitt and Bouckaert 2011) will be used as models.

THE ORGANIZATION OF THE PUBLIC SECTOR IN THE NORDIC COUNTRIES

This section describes the socio-economic context and the structure of the public sector in the Nordic countries. The Nordic countries continue to keep their structural anatomy intact. They all have relatively strong central government administrations and have coupled them with a decentralized public service delivery. Most countries have established state-owned companies and have more or less privatized many of them. In general, the Nordic countries are well known for having a sound financial situation (before Iceland was hit by the global financial crisis; see Chap. 9), using around 50 % of their GDP on the public sector (see exact figures in Table 3.1), generous welfare state with access to public services for their citizens and for a relative high trust in their governments. The Nordic countries' histories are intertwined in many ways, so, for example, Finland used to be a part of Sweden until 1808, when it became part of Russia, until its independence in 1917. Norway was in a union with Denmark for 400 years, and then with Sweden for 90 years before becoming independent in 1905, and Iceland only gained independence from Denmark in 1944. The Nordic countries work together in the Nordic Council and a number of common Nordic institutions exist.

The East-West Model: Although largely similar in structure, some particular characteristics are noted (Knudsen and Rothstein 1994; Baldersheim and Ståhlberg 2002). The Swedish administrative model is characterized by

Table 3.1 Features of the public sectors in the Nordic countries

	<i>Denmark</i>	<i>Iceland</i>	<i>Finland</i>	<i>Norway</i>	<i>Sweden</i>
Country system	Constitutional monarchy	Republic with a president	Republic with a president	Constitutional monarchy	Constitutional monarchy
Population	5.6 million	317,398	5.4 million	5.1 million	9.4 million
Governance structure	Central government with 18 ministries, 262 agencies, 5 regions, 98 municipalities	Central government with 8 ministries, 165 agencies and 74 municipalities	Central government with 12 ministries, 134 agencies, 180 entities in municipal government making joint production, 313 municipalities	Central government with 16 ministries, 215 agencies, 19 regions 428 municipalities	Central government with 11 ministries, 255 agencies, 20 regions and 290 municipalities
Government expenditure of GDP	56.6 %	44.1 %	57.4 %	44.0 %	52.4 %
Key policy entrepreneur	Ministry of Finance	Ministry of Finance	Ministry of Finance and Ministry of Interior	Ministry of Finance and Ministry of Government Reform, Line ministries	Ministry of Finance, Swedish Agency of Public Management and National Audit Office
EU member	Yes	No	Yes	No	Yes
Special characteristics	Many structural reforms of government in recent years, including local government reform	Ongoing reform efforts. Focus on recovering from financial crisis	Clear and stable division between ministries and agencies	Focus on whole-of-government reforms	Collective cabinet government. Strong independent agencies

Table based on OECD Governance a glance 2015 <http://www.oecd.org/governance/govtaglance.htm> plus government websites from each country. Number of agencies from Verhoest et al. (2012), Table 1.1, p. 6. % of GDP from OECD General Government Spending: <https://data.oecd.org/gga/general-government-spending.htm> (2013)

demands on collegial governmental decision-making that limits the modes of steering and control of state authorities. Formally speaking, individual ministers lack the type of individual ministerial power and responsibilities that are associated with the ministerial model of administration. Hence, there exists an organizational divide between relatively small-scale ministries, on the one hand, and autonomous civil service departments and independent state agencies on the other, an organizational feature which is referred to as a dual executive. In addition, in the Swedish case the administrative agencies are constitutionally protected from external intervention in connection with how they apply laws and make decisions in individual cases—that is, not even collegial governmental decision-making is allowed to intervene in those types of decisions (Ahlbäck Öberg and Wockelberg 2015). Finland used to be inspired by the Swedish system, but this has changed somewhat in recent years. In this regard we can talk of a Swedish exceptionalism. The systems with dual executives, often referred to as the East Nordic administrative model, can be contrasted with the West Nordic administrative model represented by Denmark, Norway, and Iceland. This latter model entails significant ministerial administration (the ‘ministerial model’) that allows for a high degree of spontaneous, individual ministerial steering of state authorities. This difference in the administrative model between the East and West Nordic countries might be mirrored in the top level executives’ responses to some of the questions in the COCOPS survey, a possibility that will be further explored in Chap. 4.

Common Features of the Nordic Countries: The features that are common to the Nordic countries include the following: The countries each have a central government administration that is highly responsive to the parliamentary democracy that exists. The central government administration, including ministerial departments and agencies, are in the service of the government of the day. This is coupled with a historically recognized degree of decentralization to regional and local governments. According to Lægreid (2016), the Nordic administrative systems have merit-based bureaucratic professionalism, strong *Rechtsstat* values, consensus-oriented democracies, comparatively large welfare states with extensive public sectors, an integrated system of interest group and citizen participation, strong trade unions, a low power distance, and a high level of trust in government. In some Nordic countries (Denmark, Iceland, Finland, Sweden, and to a certain degree Norway) the Ministry of Finance is often an important reform actor. Lotte Jensen (2003, 2008) famously wrote about “The Great Coordinator” when analyzing the role of the Danish Ministry of Finance,

and later followed up with an elaborate study of how the process for the state budget works out each year. In Jensen's interpretation, the Ministry of Finance managed to be at the center of all essential government coordination. The Ministry of Finance continues to be powerful, which has been underlined with the new Budget Law which gives the Ministry of Finance new powers. In effect, both the regional governments and the local governments are under the power of the Ministry of Finance, a point also recognized by Pedersen (2011) in his analysis of "the competition state" in Denmark. The same is the case for Norway, where the Ministry of Finance is strong compared to other ministries. But the overall responsibility for administrative policy and public sector reform is assigned to a ministry of Government administration. This ministry has had different names including Modernization and Renewal, and it has also been assigned different tasks. Overall it has been relatively weak compared to the line ministries. This is especially true concerning finance and budgetary matters and also in relation to some elements of administrative reforms.

In Sweden, the Ministry of Finance has also been a dominant actor in terms of public management and budgetary reforms. Other important reform actors have been the Swedish National Audit Office (former name Riksrevisionsverket) and Statskontoret (the Swedish Agency for Public Management) (Sundström 2003, 2015). In Finland, the Ministry of Finance has played a crucial role in administrative policy making (<http://vm.fi/sv/historia>). Since 1947 there has been a special department focusing on administrative development, and in 2008 it was further strengthened as departments of municipality affairs and regional and local administration were transferred from the Ministry of Interior to the Ministry of Finance. In general, the budget proposal is the key policy document in the Nordic countries which gives the Ministry of Finance a special position—especially when it comes to financial and budgetary matters. Some of the Nordic countries have departments or agencies such as the Agency for Public Management and eGovernment (Difi) and the government Agency for Financial Management in Norway, and The Swedish Agency for Public Management plays a key role when it comes to public sector reform in Sweden. After Iceland gained independence from Denmark in 1944, the Ministry of Finance (now Economics and Finance) has played a significant role in all the major public sector reforms. For a long period the role of the Prime Minister's Office was relatively small, though its role in developing some of the key legal reforms of the NPM era, for example the Administrative Act and Information Act, was significant. The responsibilities of the Prime Minister's Office have increased

since the crisis and it now takes a leading role for public sector reforms at the ministerial level. This is line with rising international support for stronger Centers of Government (CoGs). The OECD has been advocating an effective and forward-looking Center of Government as a key to achieving a strategic and agile state (OECD 2015a).

The following sub-section describes the individual countries' profiles. Data are drawn from the Nordic governments' websites, Nordic local government associations' officials, the Nordic Council of Ministers' (2016) website, OECD's (2016) governance-at-a-glance database, and the Sustainable Governance Indicator-project (2016) and Open Government Partnership (2016). Each section also includes a short description from a scholar in the country.

Denmark is a unitary state and a constitutional monarchy. There are 5.6 million inhabitants. Denmark is ruled by a parliament with 179 members and a government with a prime minister. Denmark has nineteen ministries in its central government. Denmark has 100+ government agencies. Many public services are delivered by decentralized authorities. There are five regions which mainly run hospitals. There are 98 municipalities. According to Ejersbo and Greve (2014), the structure of government in Denmark has been exposed to many structural reforms, including reforms of the police, the courts, and the local governments.

Finland is a unitary state and a republic. There are 5.4 million inhabitants. Finland is ruled by a parliament with 200 members and has a president and a prime minister. There are twelve ministries in the central government. Finland has some 130 executive agencies (Salminen et al. 2012, p. 223). There are 313 municipalities. The public services are financed out of a mix of municipal taxes, user fees, and central government transfers. There are around 180 joint authorities that provide service in the areas of health and education on behalf of the local governments. The coordination of state and local finances follow a negotiation procedure established in 2003. Finland is run by coalition governments with three to six parties in government, out of eight parties. The number of state employees has dwindled from 215,000 in 1988 to 82,000 in 2013 which is mostly due to sale of shares in state owned enterprises and making universities independent (Virtanen 2016). 5000 of the staff are employed in the central administration (Salminen et al. 2012, p. 223). The Finnish central government is modelled to a certain extent on the way the Swedish central government is organized. However, in recent years Finland has moved more towards the Danish and Norwegian model with more power centralised

in the ministerial departments (Salminen et al. 2012, p. 226). However, state central agencies continue to have legal independence in their decision making and are not part of ministerial organization. Ministers are accountable only for the decisions of the ministerial organisation, which steers central agencies with performance contracts without intervening the decision making of the agency based on law.

Iceland is a republic; the parliament (Althingi) is a unicameral parliament and it has 63 members. Iceland has approximately 333,000 inhabitants. Iceland has a central government with eight ministries, around 165 government agencies and 74 local municipalities. The number of state employees depends on whether individuals are in full time or part working. According to the National Statistics Office the total number of state employees in 2014 was around 12 %. Including the local government level would add up to about a quarter of the total working population in the country (2015 data). The ministries are not powerful in relation to the parliament as is in the case in other Nordic countries or in Europe and their capacity for inter-ministerial coordination and control over agencies is relatively small (Samhent stjórnýsla 2010). When it comes to public sector reforms the Ministry of Finance leads public administrative reforms on a public agency level while the Prime Minister's Office is responsible for reforms at the ministerial level. According to Matthiasson (2014): "In many ways the division of labour between the state and local level has been complicated, both in regards to issues transfers of policy areas but also regarding service provision in social and health matters where both parties have a role". The reason may lie in the fact that the municipalities are relatively small, with less than 30 % of them with more than 8000 inhabitants. The size of the municipality level is proportionally smaller than that of the other Nordic countries. Mergers should increase the capacity of municipalities and make them more likely to receive more policy areas from the state.

Norway is a constitutional monarchy. It is led by a parliament with 169 members and a government with a prime minister. Norway has a population of 5.1 million. Norway has a strong central administration with sixteen ministries and 250 government agencies. Norway has 428 municipalities and nineteen regions ("fylkeskommuner"). Within central government, the strongest formal dividing is between civil service organizations and state owned enterprises. The number of ministries has been relatively stable (between 16 and 18) (Lægreid et al. 2010). The government spending as part of GDP is 44 %. According to Lægreid et al. (2010, p. 38): "first, there were a large number of structural changes in the state

apparatus during the period in question. Secondly, over time we find a significant decrease in the number of civil service organizations outside the ministries and an increase in state owned companies. For central government foundations a steady increase in the number of units until the mid-1990s was followed by a slow decline". In Norway there are about 4600 employees in the ministries and about 7800 employees in government agencies, of which about 1600 are working at the central level.

Sweden: Sweden is a constitutional monarchy and is ruled by a parliament with a government and a prime minister. The parliament has 349 members. Due to its dual executive, Sweden has rather small ministerial departments employing 4600 persons, which constitutes only two percent of all employed at central government level. On the other hand Sweden holds comparatively strong semi-independent government agencies (which employs about 250,000 persons). Depending on how the count is made, there are about 255 central government agencies, and needless to say, the size and scope of the agencies vary a great deal. Local government in Sweden is organized in two elected tiers comprising 20 county councils (landsting) and 290 municipal counties (kommuner). This relationship is not hierarchical: the municipalities are not answerable to the counties. (Hall 2015; Ahlbäck Öberg and Wockelberg 2015; Pierre 2001; Niklasson 2012). As mentioned above, state executive agencies are organized in separate units outside the government department as a result of the ban on ministerial rule laid down in the Swedish constitution. The primary way for government to steer agencies is to agree collectively within the cabinet government and to legally instruct a certain way. Governments operate through laws, ordinances and appropriation directions, and leave management and implementation to the agencies. The goals are then set out in a letter of allocation. "The short term goals of an agency are specified in the letters of allocation that are issued by government every year. The agencies are, however, normally highly involved in drafting these letters. The letters of allocation specify the goals agencies should attain during the coming year, how the achievement of these goals shall be reported (form and frequency of these reports, performance indicators) and the allocated budget for accomplishing these tasks" (Niklasson 2012, p. 252) The individual agency and agency director then have a considerable degree of freedom to carry out tasks: "Within the framework set by the instruction and the letter of allocation, Swedish agencies enjoy a high degree of strategic- and operational-managerial autonomy (Niklasson 2012, p. 252).

THE CONTENT OF THE REFORM PROGRAMS IN THE NORDIC COUNTRIES

The Nordic countries have taken somewhat similar approaches to public sector reform. The Nordic governments have typically launched larger reform programs that tie together a number of specific initiatives.

Convergence Debate: A debate on convergence of public administration reforms (Pollitt 2001) has raged in the public administration literature for several decades now. The question has been if all countries were converging on the NPM-inspired model in a sort of “global public management revolution” (Kettl 2005) or whether countries would follow their own path-dependent way (Lynn 2006) in their effort to renew the public sector. Pollitt (2001) and many others were sceptical of the global wave-thinking and tended to look at each country’s individual public administration system to determine the reform impact. In the Nordic countries, perhaps both Norway and Finland have been looking to Sweden for inspiration, but to which degree is uncertain.

Three Phases of Nordic Administrative Reform Perception: There are three phases in thinking about Nordic administrative reforms. The first is the classical model. Here the Nordic countries were seen as the traditional welfare state conception, untouched by reforms from the anglophile countries. The second phase is when Nordic countries were perceived as being behind NPM reforms. The Nordic countries were considered “laggards” (Olsen 1996) and later “modernizers” (Pollitt and Bouckaert 2004). NPM reforms and other types of reforms were influencing the public sector, but not to a large extent in the Nordic countries. The third phase is the one we are currently in. The Nordic countries may be concerned mostly with modernization and performance management, and so thereby stand out from the more market-friendly countries in the anglophile world, but also display many shared characteristics with other COCOPS countries. There is divergence, but there is also convergence on some of the same themes that the rest of the COCOPS countries are preoccupied with.

In this third and current phase, the Nordic countries display a mixture of reform elements. There is a trend towards mixing New Public Governance (whole-of-government) elements with Neo-Weberian State elements, but New Public Management elements are still being practiced in many countries (Christensen and Lægread 2011b). The overall emphasis

is on a realistic and holistic view on performance-based management (or management by objectives and results). The “M” in NPM is being pursued vigorously by all Nordic countries. Some even argue that a “steerocracy” is governing these reforms without much public debate (Wockelberg and Ahlbäck Öberg 2016). Governments do from time to time engage in visible and active reform efforts, from the modernization programmes in Denmark to the anti-NPM ticket of the Center-Left Norway (1995–2013) and the performance-induced reforms in Sweden. Denmark and Finland have embarked on a process of re-centralization due to a number of public sector reforms. Norway has placed its hospitals in special health enterprises. Denmark has gone the furthest in structural reform, reducing the numbers of local and regional governments. All countries seem to be experiencing a renewed effort in whole-of-government coordination and centralization, sometimes described as post-NPM reforms.

Denmark: The government has reformed the public sector continuously since 1983 when the first “modernization program” was introduced (see Ejersbo and Greve 2014; Greve and Ejersbo 2016). That first Modernization program consisted of the following elements: decentralisation of management responsibility, marketization and choice, leadership and management, deregulation, and e-government. Each successive government has launched their version of the program. The Social Democratic led government in the 1990s and focused on “A New Approach to the Public Sector”. The key points were that the public sector is a precondition for a strong private sector, quality in public services, responsible HRM policy, and tailor-made governance political frameworks. The Liberal-Conservative government of the 2000s launched the “Citizens at the Wheel” program together with a “Public service and freedom of choice” program. Key elements included: choice for citizens as customers, open and responsive government, and value-for-money. The Social Democrats from 2011 to 2015 focused again on “Modernization of the public sector” and even renamed the agency within the Ministry of Finance responsible for reform and called it simply “The Modernization Agency”. The key focus was on performance management, but also trust-based governance was promoted by the government. From the mid-2000’s, Danish governments have introduced a number of structural- and administrative reforms. The most notable reforms include the Local Government Reform (Structural Reform) of 2007, the Police Reform, the Court House Reform, and the Primary School Reform.

Finland: The Finnish state has displayed several stable structures. The relationship between a ministry and agency remain the same as always: A ministry is overall responsible for policy development, budgeting and setting targets for interventions. Agencies carry out the tasks decided by the ministers and the ministries. Joint coordination between ministries is built into the system where needed, so, for example, EU policy has been the topic of coordination since Finland joined the EU back in 1995 (Virtanen 2016). Municipalities follow the tradition seen in other Nordic countries: Municipalities are mostly responsible for direct service delivery to citizens. Besides the regular municipalities, around 180 joint municipal authorities exist where municipalities have pooled their resources to perform tasks that were too big for a single municipality. As in the other Nordic countries, there has been much talk about restructuring the system of municipalities with the aim of making fewer municipalities (Virtanen 2016). Denmark did reduce the number of municipalities from 271 to 98 entities, but neither Norway nor Sweden have cracked the nut yet and gone ahead and made a comprehensive restructuring. The same issue of restructuring has been a topic in the Finnish public debate for a long time now, but still without a policy or a decision being made about reducing the number of municipalities. Most observers seem to acknowledge, though, that there is a challenge for municipalities in the long run, and that a reform is likely to be debated in the future as well. The idea of reducing the number of government ministries has also been debated. The reform effort in Finland is being led by the Ministry of Finance and the Ministry of the Interior. In some countries, reforms do not need to be embodied in legislation, but all the most visible reforms in the Finnish public sector have required new legislation. There is usually a lot of consultancy and stakeholder engagement in public sector reform processes.

Iceland: There were two major reform efforts (see Matthiasson 2014). The Ministry of Finance launched a reform initiative under the literal banner of “New Public Management” in 1993 and then introduced a policy reform on “New Public Management” in 1995. The reform followed the standard NPM components that are found in many other countries in the OECD. In Iceland, the reform effort was continuous, so NPM reform elements were rolled out over a prolonged period of many years, although with less vigour after 1998, when a favourable economic situation dampened political interest in reforms. One focus of the reform effort was to fight “red tape”. It was a comprehensive plan for reform. A new “Strategy for Better Governance” was introduced in 2007. The strategy

was known under the slogan of “effective government services in a simple and efficient manner”. The points in focus of the reform effort included the organizational structure of government, and HRM practices as well as public-private collaboration measures. The Ministry of Finance was not able to follow up of the reform plan, however, and reform efforts eventually got sidetracked with the arrival of the financial crisis in late 2008. With the crash came greater scepticism of market-type solutions in the public sector but the core ideas of NPM remain influential in many respects. A report on “joined up government” was issued in 2010. Since the financial crisis, Iceland’s focus has been on recovering financially and politically. After a period of hectic reforms following the crisis the new right wing coalition which came to power in 2013 seems less interested in developing a coherent reform strategy than its predecessor.

Norway: Due to the principle of ministerial responsibility sector ministries are generally strong, while coordination across ministerial areas is rather weak (Lægreid and Rykkja 2016). The only strong overarching ministry is the Ministry of Finance. The main reforms have been driven through line ministries rather than from the Ministry of government administration, which have been rather weak. Also the overall reform programs which started with the “Modernization program” from conservative government and the “Renewal program” of the Labour government in mid 1980s have been less important than the reforms from line ministries. The Bondevik-government (2001–2005) issued a report called “From Words to Action” and the centre-left Stoltenberg government (2005–2013) presented a white paper named “An Administration for Democracy and Community”. Many of the big reforms such as the Welfare Administration Reform (2005) and the Hospital Reform (2002) have been run by strong line ministries. Government ministries are fairly small, generally working as secretariats for the political staff and managing subordinate agencies placed outside the ministries. Agencies are responsible for policy implementation and professional, regulatory, and technical issues within separate policy sectors. Local self-government is rather strong, leaving a persistent tension between the central and local level.

A high level of managerial and policy implementation autonomy combined with a low level of polarization, politicization and conflict is a core feature. Norway was considered a reluctant New Public Management (NPM) reformer up to the mid1990s (Olsen 1996). But since then the reform pace have been stronger, may be with an exception of the ‘Center-Left’ government of 2005–2013. The pressure to engage in administrative

reform has been rather low, reflecting the healthy economic situation and well-functioning public apparatus. Even so, Norway has been influenced by international reform waves, and introduced NPM-flavored reforms from the 1990's (Christensen and Læg Reid 1998, 2001). Some reforms are obligatory while others can be adopted more voluntarily by line departments. Managerial ideas have been prominent, and Management by Objectives and Results (MBOR) was made mandatory from 1990 onwards (Læg Reid et al. 2006).

Norway has been characterized more as a modernizer than a 'marketizer', following managerial and user-responsive strategies rather than competition, marketization, and privatization strategies (Christensen and Læg Reid 2009a, b; Foss Hansen 2011). Consultation with stakeholders has been a central part of the reform process (Pollitt et al. 2007). Performance management, single-purpose organizations and structural devolution have reinforced vertical coordination, but also created more institutional fragmentation (Christensen and Læg Reid 2010). More recently, the challenges related to more 'wicked', horizontal, and trans-boundary problems have been put higher on the reform agenda, and the reforms have aimed at stronger integration, 'connecting the dots' through 'whole-of-government' reform initiatives. In sum, international reform waves are filtered and adapted to the existing politico-administrative culture and structure through a process of layering where old public administration, new public management and whole-of-government reforms have been combined, resulting in more complex and hybrid organizational forms (Christensen and Læg Reid 2011c).

Sweden: Sweden began NPM-reforms in the early 1990s. The government has launched a public management reform effort based on performance management or management by objectives and results. The effort is led by the Ministry of Finance together with The Swedish Agency for Public Management, which is an independent organization outside the ministry and the National Audit Office (see more in Sundström 2015). Sundström describes Swedish public management reform policy under three headings: "decentralization", "managerialization", and "marketization". Sundström discusses three theoretical lenses, with rational choice institutionalism, sociological institutionalism, and historical institutionalism as explanatory devices. Sundström concludes that NPM certainly took a hold on Sweden: "NPM has clearly not passed Sweden by. On the contrary, Sweden has embraced most of its ideas and practices, especially the management-oriented part of NPM and particularly the various ideas about steering

and control” (Sundström 2015, p. 327). A shared elite discourse on public management is promulgated by use of soft governance mechanisms. At the local government level, there is more interest in marketization, consumer choice, and voucher systems (Wockelberg and Ahlbäck Öberg 2016). In 2010, a new reform program was launched called “Public Administration for Democracy, Participation and Growth” by a centre-right leaning government. State agencies are expected to be innovative and to collaborate. Transparency and digital government are valued by public top executives in the survey, and it can be linked to thoughts about digital services and commercialization of public data resources.

Stand-Out Features: Each country may be leading in some area. Denmark is seen as frontrunner perhaps in digital government. The mandatory change to digital post in 2014 puts Denmark ahead of the other Nordic Countries. Iceland was the country where the impact of NPM was greatest, but now its style of reform is better characterized as pragmatic incrementalism. Finland is leading in making benchmarks with other countries and pursuing international orientation towards OECD reforms. Norway is leading in whole-of-government efforts, but NPM is still being practiced in relation to performance management systems. Dominating features of Swedish public management reform have been the introduction of management by objectives and results, and the introduction of other audit and evaluation mechanisms.

THE NORDIC ADMINISTRATIVE REFORMS IN THE CONTEXT OF INTERNATIONAL PUBLIC MANAGEMENT REFORMS

This evolution of public sector reform programs corresponds well with the literature on public sector reform as presented by Pollitt and Bouckaert (2011) and Christensen and Lægveid (2011a). The main issue is that reforms are seen through a transformative perspective. What Lægveid et al. (2010, p. 43) had to say about Norway could be relevant to all the Nordic countries: “We are confronted with a Norwegian version of public sector reform in which NPM seems to supplement established procedures and working methods rather than replacing them. The state organization in Norway seems to have adjusted to new administrative reforms in a pragmatic, incremental and cautious manner, but it has done so within its strong tradition of solving problems by founding new public sector units or reorganizing existing units”.

The narrative that drives the Nordic countries remains one of “modernization” to a large extent coupled with responses to whole-of-government coordination challenges. The modernization and performance-based narrative is one that characterizes the Nordic countries in contrast to other areas of the world where more market-based reforms have been prevalent. Marketization has not played the same role as in the NPM-leading countries but is after all more practiced at the local level (through contracting out and vouchers for welfare services more than what can be practised at the central level).

The Nordic countries do well in international rankings on the public sector and reform efforts. In Table 3.2 is displayed results from the World Bank (2016) (Governance Indicators), OECD (2015b) (Governance at a glance), Open Government Partnership (2016), the Bertelsmann Stiftung (2016) (Sustainable Governance Indicators), and Transparency International (2016). The focus on productivity has been a prominent theme recently. Both Denmark and Norway have had “Productivity Commissions” where the focus is on effectiveness and productivity in the public sector. The Nordic countries’ public management reform policies seem to be more pragmatic than ideological compared to countries like the UK. Except for the question of privatization, public management reform policies have not been high on the agenda in general election campaigns. It should be noted that in very recent years, “NPM” itself has become a word in the public debate in some of the Nordic countries, and “NPM” in this respect often refers to excessive use of performance indicators or excessive use of market-based mechanisms.

The Economist on 3 February 2011 talked about the Nordic countries as “the next super model”. This chapter can therefore confirm the Nordic countries’ status and ranking that is the general characteristic is modernization when mentioning the Nordic countries. One could even go further to suggest that it is the Nordic countries that represent a “modernized super model” amongst public sectors in the world. The modernization thesis resonates with the argument made about Norway in another setting: “Our interpretation is that the Norwegian state apparatus is resistant to radical change, while simultaneously being loyal to administrative policy reform measures. New administrative reform measures are not wholly rejected but are adapted to the established culture and to the existing procedures and working routines in the ministries. The international concept of administrative reform and guidelines for good organization proposed by NPM doctrines is “edited”, implying that the reforms are adapted and modified. The measures are adjusted and interpreted to fit the national

Table 3.2 Public management reform trends in the Nordic countries and international rankings

	<i>Denmark</i>	<i>Finland</i>	<i>Iceland</i>	<i>Norway</i>	<i>Sweden</i>
Reform approach	Structural reforms; Performance management, digital government	Structural reforms, Performance management, Customer service	Holistic reform efforts; reforms directed at financial crisis restructuring	Whole-of-government reforms; Performance management, Citizen involvement	Performance management, citizen involvement
World Bank Worldwide governance indicators on Government effectiveness.(percentile rank 1–100)	96.2	99.0	90.1	96.6	95.7
Open Government Partnership	Joined 2011	Joined 2012	Not a member	Participated since 2010	Joined 2011
Governance at a glance OECD: Citizen satisfaction with national government	(Figure missing for 2015)	46.0 %	47.0 %	70 %	53.0 %
Bertelmanns Stiftung Sustainable Governance Indicators: Government executive capacity (1–10)	8.4.	8.6.	6.4.	8.1.	8.4.
Transparency International.	#1 (score 92/100)	#3 (score 89/199)	#12 (score 79/100)	#5 (score 86/100)	#4 (score 87/100)
Corruption Perception Index. Rank and score					

culture and tradition, but political initiatives appropriate to the particular situation of the individual country are also important” (Lægreid et al. 2010, p. 42). The transformation has taken place over several decades now. The end result of the “mix” is therefore important to analyze more closely. Below, the main elements in the reform movement have been listed, and the similarities are bigger than the differences among the Nordic countries. It seems as if the Nordic countries are following the same trends.

INTERPRETING THE NORDIC ADMINISTRATIVE REFORMS

The Nordic countries can be characterized as modernizers with balanced performance management systems, focus on decentralized public service delivery and a renewed emphasis on whole-of-government coordination coupled with transparency initiatives.

Pollitt and Bouckaert (2011) termed Sweden and Finland (the only Nordic countries out of the twelve countries they examined) as “modernizers”. The narratives about public management reform found in this book can continue that line of thought. The Nordic countries are modernizers when it comes to public management reform. The use of management-based reforms includes the use of performance management and performance-based pay in various disguises. Performance related pay are not considered important in the Nordic countries (see also Chap. 7) and performance management is not a rigid top-down performance-numbers-only type of reform, but more as a holistic and carefully considered performance management reform system. Performance management is sometimes coupled with efficient public service delivery that also incorporates citizens’ perspectives.

Added to the holistic and realistic performance management regime are two other features: coordination in networks of wicked problems, “agencification”, and transparency. Coordination of wicked problems is seen in Norway and the other countries. Coordination is seen as a necessary way of governing. It does not replace management initiatives and the performance management agenda. The second theme is “agencification” or simply devolving responsibility to other organizations than central government. Also, “agencification” is not new (in fact, it was invented in Sweden centuries ago), as the devolving of responsibility to lower-level agencies was a feature of public management reform. And some forms of corporatization (such as establishing state-owned companies and partly privatizing them) were included in the tool box of Nordic governments.

The third theme is transparency which can be seen as a long-standing tradition in several Nordic countries. Transparency International also ranks the Nordic countries high on their list of non-corrupt countries. The recent ranking of 2015 in the “Corruption Perception Index” has Denmark as #1 followed by Finland and Sweden with Norway on a joint #5 spot together with New Zealand. All the Nordic countries except Iceland are members of the Open Government Partnership, a new international initiative that also focus on transparency and good governance more broadly. Denmark, Norway, and Sweden joined 2011, and Finland joined in 2012 (Table 3.2).

The Nordic countries have been good at adapting to changed circumstances without sacrificing their historical institutionally induced paths of modernization. The transformative perspective to public management reform, developed by Christensen and Lægheid (2001, 2007a), seem to capture what the Nordic public management reform is about. Formal structures, culture, and the environment are necessary to grasp when constraints on central actors’ ability to conduct reforms should be assessed.

In essence, the Nordic countries display a modernized managerial and performance management perspective on public sector reform coupled with participation and consultation in the reform process, the increasing necessity of coordination in networks and a continued emphasis on transparency. It is to a large extent the Neo-Weberian State that Pollitt and Bouckaert (2011) talked about, but done in the transformative process that Christensen and Lægheid offered, with the emphasis on performance and the added nuance of coordination in a whole-of-government form, along with transparency.

Contradictions, trade-offs, and dilemmas are mentioned by Pollitt and Bouckaert (2011) and Radin (2012) as being inherent in any reform effort. How does this feature impact the reforms in the Nordic countries? There is a contradiction in that countries say they want to change, yet try to preserve the systems they are in. No matter what, the Nordic countries continue to emphasize a relatively strong central government administration with a comparatively wide-ranging decentralized structure at the local government level. Most Nordic countries want to pursue digital government, yet they are hesitant to put the rule of law too much at risk. Most Nordic countries want to carry on with performance-based management, yet are skeptical about too much control or accountability. Most of the Nordic countries want to take on whole-of-government solutions, but risk giving too much power to the Ministry of Finance.

CONCLUSION: RESPONSIBLE PERFORMANCE-BASED MODERNIZERS WITH ACTIVE REFORM PROGRAMS

This chapter has looked at narratives of the public sector reform efforts in the Nordic countries. The chapter concludes that the Nordic countries combine a central government administration with a decentralized local government structure. A mix of reform elements is used, but that managerial tools are at the forefront of public sector initiatives. Ministries of Finance are often in the lead of the reform efforts. The Ministry of Finance is among the most powerful actors in public management reform processes but also the line ministries play an important role in some countries.

The overall reform narrative is one of modernization with a combination of management, performance management, decentralization, whole-of-government coordination in networks, and transparency. Contradictions continue to be there in some of the Nordic countries reforms. However, what seem to be contradictions should maybe not be seen as a disease but more as a systemic feature of the public sector today. Public management policy is about changing the balance between uncertainties and values held by the government and parliament. The Norwegian scholar Johan P. Olsen (2010) talks about a mixed order and a composite, compounded system. The Nordic countries have a mixed system of parliamentarism, parliamentary support for the government, professional governance (professional values, expert governance and evidence-based policy making), stakeholder engagement (consultation of all major and minor interests in society, including often trade unions), and legality and the Weberian principles in bureaucracies (equal and fair treatment, predictability, impartiality) as well as a dose of market-based governance. All dilemmas are not solved. Up to now there has been a lack of evidence as to what is working in reforms. International rankings are beginning to be present (World Bank, OECD, and so on). National audit offices should be the primary unit evaluating reforms, but they are often dependent on the standards for evaluation, which are dependent on the powerful Ministry of Finance. How can we characterize Nordic development along with public management reform? The Economist talked about the Nordic countries being “the next super model”. One suggestion is to talk about “responsible performance-based modernizers with active reform programs”.

Nordic Administrative Heritages and Contemporary Institutional Design

Shirin Ahlbäck Öberg and Helena Wockelberg

INTRODUCTION

This chapter describes and discusses institutional and organizational features of the public administrations in the five Nordic countries. The organizational characteristics we have chosen to focus on also feature prominently in practical management policy as well as in contemporary public administration research. Our aim is to investigate whether polity features, i.e. state executive models, influence top-level executives' perceptions of the degree of politicization of their organization, the degree of autonomy in decision-making, and the coordination capacity of their organizations (Van de Walle et al. 2016, 2f). These issues are interlinked, since politicization and autonomy are in practice two sides of the same coin, and it is reasonable to hypothesize that coordination capacity is a product of autonomy and political control.

Politicization, autonomy, and coordination capacity are at the core of the contemporary debate on New Public Management and post-New Public Management. A striving for increased agency autonomy can be traced back to the NPM reform paradigm, where the disaggregation of large, monolithic government bureaucracies into more business-like, small and lean

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agencies was expected to enhance the quality and efficiency of governance (Hood 1991). This reform agenda, however, contained some ambiguities regarding the political-administrative relationship. On the one hand, it reflected an attempt to increase political control of the bureaucracy. On the other hand, a recurrent theme was undoubtedly to increase the freedom that managers can apply to management (Maor 1999; Pollitt and Bouckaert 2011, pp. 186ff.). It was deemed important to clarify the separate roles of elected officials and organizational managers in public administration: Career officials are expected to provide expertise and policy guidance, while elected officials are expected to provide legitimacy and political judgement and guidance (Peters and Pierre 2003, p. 7). In our view, it is important to note that these reforms did not aim to minimize political interference but to divide the mandates clearly. Reform advocates sought to avoid spontaneous political steering of the “wrong” things. Hence, the top executives’ perspective on autonomy and the degree of politicization definitely says something about reform outcomes, and it is highly possible that different polity features may influence their views. Finally, according to many studies, the NPM movement’s focus on disaggregation and the separation of policy-making from management led to fragmentation, making coordination a priority issue on political and administrative agendas (Pollitt and Bouckaert 2011; Læg Reid et al. 2014, 2016).

As stated in the introduction to this book (Chap. 1), NPM reforms aimed at managerialism and agencification have been around for (at least) twenty-five years. This means that convergence effects of these reforms on national administrative systems may be detectable in analyses of contemporary conditions. The introduction also outlined how the Nordic region has a long tradition of relatively high levels of administrative autonomy that in some cases predates NPM-related autonomy reforms by a significant margin. At the same time, in studying current levels of autonomy in the public administration we need to take account of historic variations in levels of autonomy.

Our main objectives are to see whether the Nordic countries as a group stand out in contrast to other European regions and to investigate the variations within the Nordic region represented by the East and West Nordic models. Comparative empirical studies of the Nordic countries draw distinctions between different Nordic models of state building, public administration, and policy-making (Knudsen and Rothstein 1994; Gidlund and Jerneck 2000; Baldersheim and Ståhlberg 2002). One reason for adopting this East-West framework to analyse Nordic public

administrations is that while the Nordic countries share “key political and societal dimensions [...] they present striking differences in terms of the organization of the state administration” (Balle Hansen et al. 2012, p. 259). These sub-regional differences have been found to influence public administration policy in the Nordic region, in terms of both efficiency and content (Gidlund 2000; Balle Hansen et al. 2012; Veggeland 2014).

The East Nordic administrative tradition (commonly associated with Sweden and Finland) is characterized by restrictions on modes of steering and state authority control in collegial governmental decision-making. Formally speaking, individual ministers in the East Nordic countries lack the type of individual ministerial power and responsibilities associated with the ministerial model of administration (laid down in the respective country’s constitution). In addition, an organizational divide between relatively small-scale ministries and autonomous civil service departments and independent state agencies has historically resulted in dual executives (Wockelberg 2003; Ahlbäck Öberg and Wockelberg 2015; Hall 2015). In contrast, the West Nordic tradition (Denmark, Norway, and Iceland) implies significant ministerial administration (the “ministerial model”), which allows for a high degree of spontaneous individual ministerial steering of the state authorities.

In this chapter we treat the relevance of an East-West division among the Nordic countries based on executive models as an empirical question. As noted in the Introduction (Chap. 1), Finland has recently adopted a doctrine of ministerial responsibility. It is hence possible that the differences between the East and West Nordic sub-regions have decreased. Here we investigate whether the degree of politicization, levels of autonomy, and coordination capacity still differ along an East-West Nordic divide, or whether a historical turn away from this is observable.

As pointed out by Wockelberg (2015), there are some apparent similarities in how public sector executives from the Nordic countries responded to the COCOPS survey. According to institutional theory, we would expect the Nordic tradition of agencification to influence contemporary state authority autonomy in a positive way. Likewise according to this logic, the East Nordic countries would be expected to have higher levels of autonomy, owing to their long history of dual executives, than the West Nordic countries. These basic assumptions will be discussed in this chapter. We will start with a brief introduction to the key concepts and the data (survey items) we use to capture the institutional and organizational traits in focus here. We will then present our empirical results.

ADMINISTRATIVE HERITAGES AND THEIR CONTEMPORARY IMPLICATIONS

We will dedicate this section to central theoretical concepts in our analysis. Politicization is here regarded as a way of describing to what extent politicians spontaneously impose their will on bureaucrats or experts. We examine the degree of politicization, that is the political-administrative relationship, by analyzing the top executives' responses to questions such as how common it is for the political level to interfere with routine activities in their organization, and to what extent they consider that politicians respect their expertise. Autonomy is here regarded as a multi-dimensional phenomenon, an analytical strategy inspired by the framework for studying different types of autonomy suggested by Verhoest et al. (2004). An assumption is hence that there are several ways in which public organizations can be (more or less) autonomous. We study managerial autonomy, autonomy in policy choice and design, and policy implementation. Our final object of analysis is the perceived capacity for coordination with other organizations.

Together, the degree of politicization and autonomy as well as coordination capacity describe some of the most important administrative challenges of our time. This becomes clear when we turn to the concepts of agencies and agencification. State agencies are public authorities of a specific kind:

Agencies are organizations that operate at arm's length of the government [...]. They are structurally disaggregated from their parent ministries, are said to face less hierarchical and political influence on their daily operations and have more managerial freedom in terms of finances and personnel, compared to ordinary ministries or departments. Agencies usually are not totally independent, because in many cases political executives have ultimate political responsibility for their activities. (Verhoest et al. 2012, p. 3)

This study is conducted at a point in time when public management policy is geared toward agencification, that is, the creation of state agencies, which implies delegation of managerial decisions to state authorities, an approach that has been at the fore of the NPM agenda for at least two decades. This means that it is interesting to study not only how levels of autonomy vary across and within regions, but also to find out whether there are patterns of high/low autonomy of specific kinds. Agencies can differ with regard to both the type of autonomy they enjoy and the basis

for that autonomy. Van Thiel (2012) distinguishes between two types of state agency: type one allows a state authority managerial autonomy, while type two has been given managerial autonomy and its independent mandate is legally anchored in a law or statute, which is the case for the East Nordic countries. We believe that this formal difference between types one and two can influence how the same practical mandate is perceived by top executives. The baseline for perceived autonomy may be higher in organizations that have a formal legal basis for their agency status than in other state agencies. Second, contemporary agencification implies high levels of autonomy in managerial decision-making and implementation, but low levels of autonomy in political decision-making. The call to “let managers manage” implies that we should also “let politicians make political decisions”. Hence, the type of agencification associated with NPM policies such as Management by Objectives and Results (MBOR) entails delegation and hence agency autonomy of specific types (Moynihan 2006). This means that if we know what type of autonomy an agency enjoys, we can determine whether NPM-style agencification has taken place. If we find that agencies in a country or region enjoy a high level of policy-making autonomy but a low degree of managerial autonomy, we can conclude that these agencies are indeed autonomous, but not in the ways implied by MBOR models.

The relationship between administrative heritage or tradition and contemporary public management is studied here from an institutionalist perspective. According to this perspective, the longer the history of agencification, the more autonomy state agencies may display (Balle Hansen et al. 2012; Niklasson and Pierre 2012). This implies that reforms aiming to increase delegation will be more successful in countries that already have independent agencies than in countries that do not have this type of organization.

Our theoretical framework in combination with earlier empirical research can be summarized in terms of expectations or hypotheses. Hypothesis One (H1) concerns the degree of politicization and states that a long tradition of agencification will bring about a lower degree of politicization than other kinds of administrative heritage. All else being equal, a long tradition of agencification will make it harder for politicians to interfere in routine decisions. In these systems politicians are also more inclined to respect experts, possibly owing to a more distinct division of tasks and mandates. Hypothesis Two (H2) concerns the degree of autonomy and predicts that authorities belonging to fragmented (agencified)

executives will enjoy a high degree of managerial autonomy—since a long history of agencification facilitates implementation of this type of NPM reform. For our third variable it is harder to formulate a clear-cut hypothesis. However, according to some scholars ambitions to move in “the opposite direction” from agencification—that is, reforms that aim “to restore control and coordination through mergers and re-shuffling of agencies” (Verhoest et al. 2012, p. 4)—are more likely to be successful in countries with few and relatively weak state agencies than in countries with many highly independent state agencies. This assumption is reinforced by Persson (2015, p. 634), who establishes that the Swedish administrative model implies a strong need for coordination, both horizontally (for example between different ministries) and vertically (between the ministries and the semi-autonomous government agencies). It is thus possible that a lower level of coordination capacity will follow from a high degree of agencification, and this is our third hypothesis (H3).

METHODOLOGY: COMPARING REGIONS AND COUNTRIES

Our empirical task is to capture the degree of politicization, autonomy, and coordination capacity that state authorities in the Nordic executives have today. First, we will discuss the degree of politicization on the basis of top executives’ responses to questions such as how frequently the political level interferes in routine activities in their organization, and to what extent politicians respect their expertise. Second, we will turn our attention to how respondents to the COCOPS survey describe autonomy in managerial decisions (for example, budget allocation, contracting out, personnel management, and re-organizations), policy choice and design, and policy implementation. Third, we analyze the current coordination capacity of state authorities, both with respect to units within states and with external stakeholders. We investigate, on the one hand, the relationships between regions and sub-regions, and on the other, our selected variables. We are interested in differences and similarities between regions, sub-regions, and individual Nordic countries. We would like to stress that the COCOPS survey gives us a unique opportunity to make a truly comparative analysis of regional or sub-regional differences and similarities.

As already described in Chap. 2, the European countries that do not belong to the Nordic region are grouped into four families: the Anglo-Saxon, the Eastern European, the Germanic, and the Napoleonic. In this

chapter, we have also divided the Nordic region into two sub-regions, the East and West Nordic regions. These are distinguished by an executive system built around ministerial responsibility (West), and one where this is absent or minimized with respect to certain types of decisions (East). The focus of decision-making in the latter model is instead placed in the hands of the Cabinet as a whole. Another closely related difference that is important to our study is that between dual and unified national executive organizations. In a dual executive, the organizations that support the government, commonly called ministries or governmental departments, exist alongside national authorities or agencies organized as separate units outside the government offices. These agencies supposedly exercise significant authority in matters of regulation, application of the law, and internal management (cf. Wockelberg 2003; Ahlbäck Öberg and Wockelberg 2015; Hall 2015). In contrast, a unified executive organizes national authorities as units *within* ministries. These authorities lack the type of regulatory tasks and independent, court-like mandate in the application of the law that agencies in dual systems have. Instead, single ministerial powers and responsibility are at the focus of policy processes.

The West Nordic model historically embraced Denmark and Norway, whereas the East Nordic model previously consisted only of Sweden (Jacobsson et al. 2004, pp. 16ff). Thus, history is important for our understanding of the Nordic state executives (Premfors 1991). The West Nordic tradition (Denmark, Norway, and Iceland) implies significant ministerial administration, where each minister is responsible for all policies and decisions made by administrations under him or her, including the directorates (national authorities). However, in Norway a change occurred in the nineteenth century, when administrative bodies that were outside the ministries were introduced. In short, the Norwegian central administration is best described as a ministerial administration, but there is also an element of semi-autonomous bodies, which means that Norway has a slightly modified version of the ministerial model (Christensen 2003). The Icelandic state executive features powerful—and responsible—individual ministers and a “prevailing pattern of patronage”—that is, “a personal style of politics with a non-bureaucratic, patronage-centered mode of public administration” (Kristjánsson 2006, p. 400).

Finland and Sweden have often been described as having similar administrative systems. This East Nordic model of administration features executive dualism with independent state agencies organized outside governmental

departments and with limited ministerial responsibility (Jacobsson 2000, p. 6). Hence, the independence of the state administration vis-à-vis government ministries is guaranteed (Baldersheim 2001; Husa 2011; Ahlbäck Öberg and Wockelberg 2015; Virtanen 2016). The principle in Sweden and Finland, moreover, is that the Cabinet of Ministers as a collective makes decisions regarding the state authorities, not as individual ministers. In other words, when individual ministers influence or instruct administrative agencies, the Cabinet of Ministers act and are accountable collectively. Sweden is most typically East Nordic in this latter respect, since the Swedish Constitution prohibits ministerial control (Instrument of Government, Chap. 12, Art. 2). In Finland, individual ministers are allowed somewhat more discretion (Baldersheim 2001; Husa 2011).

While neither the existence of highly autonomous agencies in Finland nor their historical roots are under debate, Salminen et al. point out a difference between contemporary Sweden and Finland:

[O]verall the practice in Finland has been more towards the Norwegian and Danish models: decision-making is largely concentrated in the ministries, but agencies have represented great expertise, specialization and powerful engagement in regulation, monitoring and planning welfare-state functions. (Salminen et al. 2012, p. 226)

From the early 1800s onward, the Finnish state administration had the same type of dual organization as the Swedish. The economic crisis in the 1980s and 1990s spurred a reform wave with a renewed focus on ministerial rather than agency power (Savolainen 1998, p. 119; Salminen et al. 2012, p. 229). The agencies' tasks and mandates changed, that is their role as regulators was reduced, and some "agency functions were actually reabsorbed into central ministries" (Pollitt et al. 2001, p. 284). However, the statutory safeguards against ministerial rule are still in place.

EMPIRICAL FINDINGS

Is there a Nordic model of administration that makes state agencies less politicized than authorities in other countries? And does this Nordic model allow the Nordic state authorities more autonomy than the rest of Europe? As argued above, we have theoretical reasons to believe that this is the case. We know that the Nordic countries have a long history of state-level agencification, and hence of vertically autonomous organizations.

Semi-autonomous and legally independent organizations dominate the Nordic countries' agency *flora*. We also know, however, that agencies in the West are different from those in the East. Taking a close look at the intra-Nordic variation, Balle Hansen et al. (2012, p. 260) find that most agencies in the West Nordic countries (Norway and Denmark) belong to Van Thiel's (2012) category one, that is, they have some managerial autonomy but their position is not codified in a law or statute of any kind. In contrast, the East Nordic agencies tend to fall into Van Thiel's category two, that is, they have both managerial autonomy and "a legal identity based in public law."

In this section we will present analyses of our selected variables in the Nordic countries and ask whether this region stands out from other regions and if differences surface on the sub-regional (intra-Nordic or country level). Since our focus is on the Nordic region (sub-regions), we will not offer a detailed analysis of all the regional differences, for example the difference between the Anglo-Saxon and Eastern European respondents with regard to politicization. However, the regional comparison will look at the Nordic region versus the means for other regions, and the results for all regions will be presented in tables. Additionally, for the Nordic region and sub-regions we will also break down the results according to the respondents' organizational level, that is whether the respondent works at the ministerial or agency level, thereby investigating whether the different administrative models of the Nordic countries are reflected in organizational affiliation.

Politicization

Politicization is defined here as political interference in daily routines and decisions. According to our expectations (H1), a long history of agencification will result in a low-level of politicization today. We would hence expect the Nordic countries to be less politicized than other regions in this respect and the East Nordic sub-region to be less politicized than the West. Our operationalization of this variable consists of three separate statements taken from the COCOPS survey. The three questions utilized here are valid measures of politicization. They all respond to the statement "What is your view on the following statements": (a) "Politicians respect the technical expertise of senior executives", (b) "Politicians regularly influence senior level appointments in my organization", and (c) "In my organization politicians interfere in routine activities". Answers

range from strongly disagree (1) to strongly agree (7). The assumption is that indications of politicization would be if politicians do not respect the technical expertise of their top executive, if they regularly influence senior level appointments, and if they interfere in routine activities (i.e. high scores on b and c, and low scores on a).

Our results on degree of politicization might reveal the presence of a Nordic model, since this region's scores—together with the Anglo-Saxon countries—stand out on two out of three items (see Table 4.1). On the item “Politicians respect the technical expertise of senior executives”, the Nordic and the Anglo-Saxon regions score 4.8 and 4.5, respectively, which are the highest scores of all the regions. Hence, these two regions are conspicuous in this respect compared with the other three regions, thereby indicating less politicization in this dimension. Correspondingly, the Nordic and the Anglo-Saxon regions score significantly lower than the rest on the item addressing the issue of whether politicians regularly influence senior level appointments. The contrast with the Eastern European and Napoleonic regions is striking. Furthermore, the responses to the last item “Politicians interfere with routine activities in the organization” also yield a score for the Nordic regions that indicates a low degree of politicization (together with the Germanic region). However, the means range between regions for this last item is not particularly large: the only region that actually stands out is the Anglo-Saxon region. In sum, the results imply that politicization is lower in the Nordic region compared to the rest, with the Anglo-Saxon scores close to the Nordic ones on two out of three items. This means that we find support for our first hypothesis, which holds that a long tradition of agencification will result in a lower degree of politicization than other administrative heritages.

Support for hypothesis 1 is also found when we study the sub-regional context. Here we find substantial differences for two out of three measures of politicization, the exception being the responses to the item “Politicians respect the technical expertise of senior executives”. Further support for our first hypothesis is found, since it is more common for politicians in the West than in the East to interfere with routine activities, that is to steer the agency's daily business. The fact that West Nordic authorities are subjected to more spontaneous political steering than their East Nordic counterparts is in line with what we would expect from a ministerial model of administration. When we control for the respondents' organizational

Table 4.1 Politicization in means

	<i>Anglo-Saxon</i>	<i>Eastern European</i>	<i>Germanic</i>	<i>Napoleonic</i>	<i>Nordic</i>	<i>East Nordic</i>	<i>West Nordic</i>	<i>DK</i>	<i>Fin</i>	<i>I</i>	<i>N</i>	<i>SE</i>
Politicians respect the technical expertise of senior executives	4.5	3.7	4.3	4.1	4.8	4.7	4.8	5.4	4.7	3.7	5.2	4.7
Politicians regularly influence senior lvl appointments in org.	2.9	4.6	4.3	5.2	3.5	3.8	2.9	2.2	3.6	1.9	3.9	4.1
Politicians interfere with routine activities in organization	4.2	3.2	2.8	3.1	2.8	2.6	3.2	5.3	2.6	2.0	3.1	2.7

The table presents answers to “What is your view on the following statements:” “Politicians respect the technical expertise of senior executives”, “Politicians regularly influence senior level appointments in my organization” and “In my organization politicians interfere in routine activities”. The figures represent means based on a 7 level scale, where 1 = strongly disagree and 7 = strongly agree

Table 4.2 Politicization in the Nordic region and sub-regions, subdivided on organizational level in means

		<i>Nordic</i>	<i>East Nordic</i>	<i>West Nordic</i>
Politicians respect the technical expertise of senior executives	Ministry level	5.3	5.3	5.3
	Agency level	4.6	4.6	4.5
Politicians regularly influence senior lvl appointments in org.	Ministry level	4.2	4.9	3.6
	Agency level	3.3	3.6	2.5
Politicians interfere with routine activities in organization	Ministry level	3.5	3.2	3.7
	Agency level	2.7	2.5	3.0

The table presents answers to “What is your view on the following statements:” “Politicians respect the technical expertise of senior executives”, “Politicians regularly influence senior level appointments in my organization” and “In my organization politicians interfere in routine activities”. The figures represent means based on a 7 level scale, where 1 = strongly disagree and 7 = strongly agree

level—ministry or agency—we find that those who work in a ministry generally score higher on this item. This result is not surprising given that a ministry offers closer proximity to the political level than a government agency (see Table 4.2).

The strongest relationship found here is the one between our East/West Nordic variable and the propensity to state that politicians influence senior level appointments in the organization. This type of steering is the only type that is reported as more pronounced by respondents in the East Nordic countries than by their counterparts in the West Nordic countries, a result that contradicts our first hypothesis (H1). Our interpretation of this is that the political prerogative to make senior level appointments (in Sweden: Directors-General) is one of the most important *ex ante* steering tools available for governments in dual executives (Dahlström and Pierre 2011). In other words, top-level civil service appointments are one of the formally legitimate tools politicians can use to control agencies in the East Nordic countries. Again, the respondents from the ministry level in the Nordic countries score higher on this item than those working on the agency level (except for Denmark). The differences between the organizational levels are larger in the East Nordic countries than in the West Nordic countries (see Table 4.2), which implies an institutional influence from the different administrative heritages. However, since response rates from different organizational levels varied across sub-regions, this result must be interpreted with caution (see Chap. 2).

Autonomy

The second step in the empirical analysis is to investigate autonomy in different types of decisions, on the one hand, and in the Nordic region and sub-regions on the other. For this study we have—after an initial dimensional analysis—constructed an index variable to measure “managerial autonomy” that includes six of the eight items attached to the statement “In my position, I have the following degree of autonomy with regard to...”: “budget allocations,” “contracting out services,” “promoting staff,” “hiring staff,” “dismissing or removing staff,” and “changes in the structure of my organization” (Cronbach Alpha = 0.85). The remaining two items were “policy choice and design” and “policy implementation,” and they are reported separately in Table 4.3. The higher the respondents score on these three items, the higher the perceived degree of autonomy (1 = very low autonomy and 7 = very high autonomy).

The means for the respective regions show that the Nordic region reports a significantly higher degree of managerial autonomy than the other regions. The difference between the Nordic and the Napoleonic regions is considerable. This result supports hypothesis 2, which suggests that authorities belonging to historically fragmented (agencified) executives will enjoy a high degree of managerial autonomy. Regional variation and the importance of being Nordic are, however, not as important when it comes to the other two types of autonomy. For policy choice and design the Nordic region scores 3.4, which is close to the means for the Eastern European and Napoleonic regions. This group of regions thus scores lower than the Anglo-Saxon and the Germanic regions—i.e., there is a split between the regions, and the Nordic region does not display any distinct organizational characteristics. A similar conclusion can be drawn when it comes to the item dealing with autonomy in policy implementation. The Nordic region scores 4.6, which is in the middle of a suppressed scale ranging from 4.2 (the Germanic region) to 5.0 (the Anglo-Saxon region).

In this context intra-Nordic differences are expected given our theoretical point of departure. We expect the respondents in the East to be the ones who score low on policy choice and design autonomy but high on autonomy related to managerial issues and policy implementation. We assume that this specific division of tasks and mandates is inherent in the dual executive in the East.

A closer look at the sub-regional means shows that the East-West divide does not result in any differences in terms of managerial autonomy.

Table 4.3 Autonomy in different types of decision making in means

	<i>Anglo-Saxon</i>	<i>Eastern European</i>	<i>Germanic</i>	<i>Napoleonic</i>	<i>Nordic</i>	<i>East Nordic</i>	<i>West Nordic</i>	<i>DK</i>	<i>Fin</i>	<i>I</i>	<i>N</i>	<i>SE</i>
Managerial autonomy	3.2	3.3	3.9	2.8	4.4	4.3	4.4	4.4	3.8	4.6	4.3	5.0
Autonomy in policy choice and design	4.2	3.3	4.3	3.3	3.4	2.9	4.4	4.6	3.5	4.9	4.0	2.1
Autonomy in policy implementation	5.0	4.4	4.2	4.3	4.6	4.2	5.3	5.0	4.5	5.3	5.4	3.8

The table presents answers to the statement: "In my position, I have the following degree of autonomy with regard to". The first item is an index variable (described in the text), and the two other variables are individual items. The figures represent means based on a seven level scale, where 1 = very low autonomy and 7 = very high autonomy

Hence, in this dimension we have detected a Nordic model, but there is no sub-regional significance. However, we notice that agency-level respondents in the Nordic countries score considerably higher on this item (managerial autonomy) than the ministry-level respondents. That there are more opportunities to employ managerial instruments on the agency level comes as no surprise.

The significance of a sub-regional analysis becomes more fruitful when we look at the two remaining autonomy dimensions. The respondents' answer to the question about whether they perceive any autonomy in policy choice and design reveal a distinct difference between the East and West Nordic models. Given our institutional starting point, it is not surprising that the top executives from the West Nordic countries—operating in a ministerial model—acknowledge a markedly higher degree of autonomy in this dimension. More surprisingly, however, we observe that the respondents from the East Nordic countries score low on policy implementation autonomy in comparison with the West Nordic countries. We would have expected this type of autonomy to be at the core of a dual executive, but this is apparently not the case. Our only explanation for this is that the survey question was perceived as open to an interpretation that includes limits placed on autonomy by other factors than the relationship between politicians and bureaucrats. It is possible that Swedish respondents, for example, find their autonomy in policy implementation limited primarily by the law rather than by spontaneous steering from the ministry or the minister.

We should add that country-specific data reveal interesting results for all these three autonomy dimensions. What we find is that the basis for the considerable differences on all the items measuring different types of autonomy is not so much the East-West Nordic divide as we have classified it, but the extreme scores reported by the Swedish respondents (managerial autonomy: 5.0, autonomy in policy choice and design: 2.1, and autonomy in policy implementation: 3.8).¹ In other words, the Swedish respondents score high on managerial autonomy and very low on policy choice and design autonomy. So rather than a distinct East Nordic model, it is the Swedish respondents who diverge from the other Nordic countries, regions, and sub-regions.

Coordination Capacity

Coordination became a priority issue on political and administrative agendas as a result of the disaggregation and separation of policy-making from

management that characterized the NPM movement. This disaggregation has, according to many studies, led to fragmentation (Pollitt and Bouckaert 2011; Læg Reid et al. 2016). Analytically, coordination capacity can be observed both vertically and horizontally. Firstly, vertical specialization and the devolution of functions weakened the structural levers of control and diminished the influence of political executives over subordinate levels and institutions, hence undermining political control. Secondly, the reformers' drive for increased horizontal specialization, according to the principle of "single-purpose organizations," created challenges for cross-departmental coordination. Hence, a priority post-NPM is to find a solution that could turn a fragmented administrative apparatus into a unified and more coherent system (Læg Reid et al. 2016). According to several studies, most Nordic countries have experienced a series of mergers of agencies and various attempts to increase the coordinating capacity of the state (Balle Hansen et al. 2012, p. 263f; Greve and Ejersbo 2016; Læg Reid and Rykkja 2016; Virtanen 2016; Wockelberg and Ahlbäck Öberg 2016).

The starting point for our analysis was Christensen and Læg Reid's (2008) typology of coordination, where a distinction is made between the external-internal and vertical-horizontal dimensions of coordination. The external-internal dimension makes a distinction between coordination within the central government and coordination between central government bodies and organizations outside the central government. Vertical coordination relates to coordination between different types of organization within the central government or coordination upwards to international organizations or downwards to local government. Horizontal coordination relates to coordination between organizations at the same level (Christensen and Læg Reid 2008). Hence, the vertical dimension of coordination is hierarchy-based, while horizontal coordination is network-based. Three of these four dimensions will be utilized in this study: internal-vertical coordination, internal-horizontal coordination, and external-horizontal coordination.

For our statistical analysis of coordination capacity we used the answers to the following statement in the COCOPS survey: "To resolve coordination problems when working with other organizations, we typically...". Vertical coordination is analysed through the response to the following item: "Refer the issue upwards in the hierarchy." This is a direct and valid way of measuring vertical coordination. To measure horizontal coordination we created two index variables. The first one measures internal-horizontal coordination and includes responses to the following items:

“Set up a cross-cutting work/project group (ad hoc, temporary)” and “Set up a cross-cutting policy arrangement or programme” (Cronbach Alpha = 0.61). The second one measures external-horizontal coordination and includes responses to the following items: “Consult civil society organizations or interest groups” and “Consult relevant experts (e.g. scientists or consultants)” (Cronbach Alpha = 0.705). While these items do not state explicitly whether the cross-cutting relationships are horizontal or not, we find it reasonable to assume that they are, at least when it comes to agency-level respondents. Their organizations are probably not in a position to establish links with organizations at a higher level. Further, to define non-state actors as horizontally related to the state organizations studied here is not an evident solution: public organizations are in many ways formally and practically superior to private actors. Then again, these types of actors are also in many situations interdependent equals, and this is the way we view them here. As before, the answers to the items presented here range from strongly disagree (1) to strongly agree (7), where good coordination capacity would be attributed to the higher scores. The mean scores for the coordination variables are reported in Table 4.4.

In terms of internal vertical coordination the Nordic region does not stand out, but can be grouped together with the Anglo-Saxon and Germanic countries—in contrast to the Eastern European and Napoleonic regions. The propensity to refer issues to higher up the hierarchy is notably greater in the latter regions. This indicates, for example, that the administrative model of the Napoleonic region is distinctly more hierarchical than that of the Nordic region. On the Nordic sub-regional level our expectation is that the East Nordic countries would refer issues to higher up the hierarchy to a lesser extent, given the dual executives. However, on the sub-regional level there are no differences between the East and West Nordic countries. The mean Nordic country-level scores reveal that only Sweden meets the expectation stemming from a dual executive. The highest score for Finland, on the other hand, is 4.7. Controlling for organizational level shows that Nordic ministry- and agency-level respondents score comparably on this item (see Table 4.5).

Region appears to be of more relevance when we move on to horizontal coordination. If we start with internal horizontal coordination (cross-cutting work/project group and policy arrangement or programme), the Nordic and the Anglo-Saxon regions display a somewhat higher propensity to use these tools to resolve coordination problems with other organizations. In terms of the East/West Nordic divide, the differences are very

Table 4.4 Coordination in means

	<i>Anglo- Saxon</i>	<i>Eastern European</i>	<i>Germanic</i>	<i>Napoleonic</i>	<i>Nordic</i>	<i>East Nordic</i>	<i>West Nordic</i>	<i>DK</i>	<i>Fin</i>	<i>I</i>	<i>N</i>	<i>SE</i>
<i>Vertical (hierarchical)</i>												
Internal: Refer the issue upwards in the hierarchy	4.4	5.0	4.7	5.7	4.5	4.5	4.4	4.6	4.7	4.1	4.5	4.2
<i>Horizontal (networks)</i>												
Internal: cross-cutting work/project group and policy arrangement or programme	4.2	3.8	3.6	3.5	4.2	4.3	4.1	4.3	4.5	4.3	3.9	4.0
External: consult civil society organizations, interest groups or relevant experts	3.6	3.4	3.3	2.9	3.2	3.0	3.5	3.2	3.1	4.1	3.3	2.9

All the variables presented in the table represent responses to the question "To resolve coordination problems when working with other organisations, we typically". The second and third items are index variables (described in the text). The figures represent means based on a 7 level scale, where 1 = strongly disagree and 7 = strongly agree

Table 4.5 Coordination in the Nordic region and sub-regions, subdivided on organizational level in means

		<i>Nordic</i>	<i>East Nordic</i>	<i>West Nordic</i>
<i>Vertical</i>				
Internal: Refer the issue upwards in the hierarchy	Ministry level	4.6	4.8	4.4
	Agency level	4.4	4.4	4.4
<i>Horizontal</i>				
Internal: cross-cutting work/project group and policy arrangement or programme	Ministry level	4.5	4.4	4.5
	Agency level	4.1	4.2	4.0
External: consult civil society organizations, interest groups or relevant experts	Ministry level	3.5	3.4	3.6
	Agency level	3.1	3.0	3.5

All the variables presented in the table represent responses to the question “To resolve coordination problems when working with other organizations, we typically”. The second and third items are index variables (described in the text). The figures represent means based on a 7 level scale, where 1 = strongly disagree and 7 = strongly agree

small. All in all, the result in this dimension does not correspond with our third hypothesis, which holds that lower coordination capacity is likely to follow from a high degree of agencification. The Nordic respondents’ answers actually suggested the opposite. On the country level, Sweden and Norway had the lowest scores among the Nordic countries. We should add that the Nordic respondents from the two organizational levels scored somewhat differently on this item, with ministry-level respondents scoring higher than agency-level respondents.

Our analysis of external horizontal coordination, that is the tendency to consult civil society organizations, interest groups, or relevant experts, yields a different result. In this dimension no Nordic model stands out; rather the mean range of the regions is quite compressed. However, there is a distinct difference between the East Nordic and West Nordic respondents (3.0 and 3.5 respectively). This indicates that the East Nordic countries show a lower capacity for this kind of horizontal coordination, a result which is in line with our third hypothesis. An analysis of the individual Nordic countries’ scores show, however, that it is Iceland that inflates the West Nordic countries’ score. The four other Nordic countries’ scores range from 2.9 (Sweden) to 3.3 (Norway). That is, the divide between the East Nordic and West Nordic countries is not as apparent as the East/West measure holds. If we look at the country-level score, however, the mean score for Sweden corresponds with our institutional expectations.

All in all, the means reported for different European regions do not support the conclusion that there is a distinct Nordic model for coordination capacity. However, on a general level the results show that horizontal coordination (networks) operates in the shadow of vertical coordination (hierarchy). Both types of coordination are relatively common, but internal horizontal coordination (cross-cutting work/project group and policy arrangement or programme) is more common than external horizontal coordination (consult civil society organizations, interest groups, or relevant experts). It should also be noted that vertical coordination is used much less in the Nordic region than in, above all, the Napoleonic region. On the whole, in terms of coordination capacity the Nordic region shows the most similarities with the Anglo-Saxon and Germanic regions. No systematic differences between the East and the West Nordic models could be identified. And lastly, the Nordic countries score fairly similarly on each item, which reflects the existence of a Nordic model. All in all, there is little evidence for our third hypothesis, that a high degree of agencification makes lower coordination capacity more likely.

CONCLUSIONS

Let us now return to the main theme of this book and to the research questions we focused on in this chapter: Is there a distinct Nordic model of administration? And is there still a relevant intra-Nordic variation that should be taken into account when we seek to understand contemporary public management in this part of the world? Our expectations are derived from the administrative heritages of the Nordic countries. A long history of agencification in the Nordic region should, according to this perspective, result in a lower degree of politicization and high autonomy today. In addition, we expected administrative heritage to influence coordination capacity, or to be more precise, the hypothesis was that agencification hampers coordination capacity. For all organizational features studied here, then, we expected to find a distinct Nordic model: low politicization, high autonomy, and weak coordination capacity.

The empirical analyses show that a Nordic politicization model is not really detectable. For this variable, distinct differences can instead be found on the sub-regional level, where the East Nordic countries score lower on items such as "Politicians interfere with routine activities in my organization". The results reported from the analysis of coordination capacity are somewhat mixed. Even though the Nordic countries all responded very

similarly on the items investigating coordination capacity—thereby indicating a Nordic model—the Nordic region does not stand out in comparison with the other regions. The same must be said for the East/West divide, with one exception which is the propensity to consult civil society organizations, interest groups or relevant experts. For this latter item the West Nordic countries are more inclined to use this type of coordination than the East Nordic countries. At the country level no clear coordination capacity pattern can be detected. There is, however, a sound empirical basis for us to claim that at least for one important autonomy dimension, there is indeed a distinctive Nordic model. And further, when it comes to autonomy, there are also interesting intra-Nordic variations. Let us discuss these findings in more detail.

We expected autonomy to be high in the Nordic countries. More specifically, we expected administrative heritage to produce high levels of managerial autonomy today. As expected, the Nordic region reports higher managerial autonomy than other regions. Differences across regions are not as pronounced when it comes to other types of autonomy, like autonomy in decisions concerning policy choice and design or implementation. Our sub-regional analysis aimed to determine the contemporary relevance of a historically and constitutionally derived East/West Nordic divide. Our expectations were that in the East sub-region consisting of Finland and Sweden executive dualism and the lack of ministerial responsibility would have created even higher autonomy levels and more distinct managerial autonomy than in the West Nordic countries. This hypothesis is supported when we analyse the East/West Nordic variable on the one hand and the autonomy types on the other. As expected, managerial autonomy is higher in the East than in the West. Also as expected, autonomy in policy choice and design is higher in the West than in the East. What is puzzling, however, is that autonomy in implementation of policies is perceived as lower in the East than in the West—we expected quite the opposite result given that one of the core characteristics of dual executives is the constitutionally safeguarded autonomy in implementation and application of the law in individual cases.

An important finding is that country-specific data on autonomy types reveals that the basis for sub-regional differences is often the extreme scores reported by the Swedish respondents. The relevance of an East-West divide is hence called into question. The sub-regional analysis of politicization follows an identical pattern. Sub-region is related to levels of spontaneous political steering. And as expected, we find less daily political

interference in the East. However, again it is Sweden rather than the whole sub-region that explains this difference. Also, a result from our analysis of coordination capacity is that country-specific factors are of greater importance than the sub-regional context.

While the Nordic region stands out as distinctively autonomous when it comes to managerial tasks in state authorities, it cannot be said to represent a “model” when it comes to other organizational features. And finally, the significance of the East-West divide is not more important than (or even as important as) the significance of being Swedish when it comes to several of our autonomy dimensions. The Swedish state executive represents an extreme in terms of its duality and, we argue, the ways in which this administrative heritage influences contemporary institutional design.

This last conclusion should be placed in a context of earlier commentators having suggested that the differences between the East and West Nordic administrative models have become less significant in practice, as a result of, for example, the general trend toward agencification and the difficulties of volume and oversight with strict ministerial rule and responsibility, thereby implying that this East-West divide would be redundant (Lindbom 1997, p. 63; Lindbom et al. 2001, p. 152). Our comparative study shows, however, that the different institutional set-ups of the administrative models within the Nordic countries, despite drawing closer to one another, do have an impact on the respondents’ perceptions of crucial public management issues.

NOTE

1. The institutional significance of Sweden in this respect is confirmed when tested as bivariate relationships between country-dummies and each autonomy type. It is also revealed in a multivariate regression using country-dummies for each Nordic country.

Roles, Values, and Motivation

Turo Virtanen

INTRODUCTION

The roles, values, and motivation of public servants are linked in many ways with the foundations of the social and political order and with the administrative culture in which they work. The dichotomy of politics and administration, which is a baseline for the division of governmental powers in Western and other democracies, brings with it expectations about the legitimate roles played and the values held by public servants. The agencification, increased managerial authority, and performance-based management introduced by the public sector reforms based on the doctrine of New Public Management (NPM) has strengthened the autonomy of public organizations (Hood 1991; Christensen and Lægreid 2011a). The autonomy of public servants has also been strengthened by New Public Governance (NPG), under which policies are increasingly prepared and implemented in close consultation with interest groups and other stakeholders participating in inter-organizational network management (Osborne 2010).

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While such reforms have made administrators more autonomous and their work more effective, there has also been a counter-reaction in the shape of demands for greater accountability and transparency in the public administration, including the introduction of softer elements like ethical codes for public servants. In other words, new ways have been sought to reconcile the bureaucratic and democratic ethos (Woller 1998). The bureaucratic ethos presumes “a direct line of communication from the people to their elected representatives, to bureau head, and then down the hierarchical ladder to those responsible for administering and implementing public policies” (Woller 1998, p. 86). The democratic ethos assumes that administrators have the capacity for moral reasoning about democracy and that they pay heed to the principles of equality, participation, and individuality. However, these principles conflict with the hierarchy, specialization, and impersonality ascribed to bureaucracy (Woller 1998; Thomson 1983). In practice, public servants and their leaders have to reconcile these two sets of principles in decentralized governance. The ensuing challenge makes the values and motivation of public servants even more important than in the “old” public administration, which was more centralized and less networked with external stakeholders. No wonder, then, that the motivational aspect of public service (Perry and Wise 1990; Perry and Hondeghem 2008) and the notion of creating public value (Moore 1995) have emerged as new research themes.

Values now seem to hold a new position in the networked governance of public administration. The literature on public management has characterized this as a paradigmatic change, first from the old public administration to NPM, and subsequently to an emerging paradigm of public value management (O’Flynn 2007). Contrasting NPM with public value management, Stoker (2006, p. 41) says that the latter points to “a motivational force that does not solely rely on rules of incentives to drive public service practice and reform.” According to him (Stoker 2006, p. 54), “the governance of the public realm involves networks of deliberation and delivery in pursuit of public value.” Stoker’s view has clear links to the NPG approach. With respect to values and motivation, NPM and NPG seem to have added new elements to the traditional Weberian view of public administration based on the bureaucratic ethos. Pollitt and Bouckaert (2011) introduced the model of the Neo-Weberian State (NWS) in 2004 to refer to a modernized traditional bureaucracy that still carries within itself part of the bureaucratic ethos but also elements of NPM. All of these elements can be found in new public value management where values are interpreted in case-by-case negotiations between various stakeholders.

This chapter uses COCOPS data to analyze the roles, values, and motivation of senior executives. The COCOPS survey included questions pertaining to their role understandings as public sector executives, their value preferences with respect to public services, and their work values and motivation. A comparative analysis of these views includes a comparison between individual Nordic countries and between them and other country groups reflecting Anglo-Saxon, Napoleonic, Germanic, and Eastern European state traditions. The goal is to find out to what extent the senior executives of Nordic public administrations carry a set of unique roles, values and motivations related to public service and how these are linked to NPM, NWS, and NPG as general models of public management.¹

THEORY

Pollitt and Bouckaert (2011, pp. 163–81) have addressed the question of whether public management reform has shifted the boundary between politics and administration. They characterize the role of politicians as strategic goal-setters in the NPM model, as traditional authoritative decision-makers in the NWS model, and as forgers and guarantors of compromise deals between multiple stakeholders in the NPG model. The roles of public servants are, respectively, autonomous managers held accountable through performance and incentives (NPM); professional and ethical implementers of laws and decisions providing high-quality services to clients (NWS); and network managers leading partnerships, negotiating, and searching for leverage and synergies (NPG). The authors indicate that the NPM role model, which has been tried especially in Anglo-Saxon majoritarian countries like Australia, Canada, New Zealand, and the UK, offers hardly any convincing evidence of intended changes of the boundary between politics and administration. They link the NWS role model to Denmark, Finland, and Sweden where they see more evidence for the intended roles. However, the authors believe that NPG is too vague and general neither for making workable distinctions between the roles of politicians and managers in practice, nor to be linked to any particular country.

The role understanding of senior executives varies by state tradition. Previous studies (Painter and Peters 2010; Sager et al. 2012) have drawn distinctions between the Scandinavian (the Nordic countries excluding Finland), Germanic (Germany, Austria, and the Netherlands), Napoleonic (France, Italy, Spain, Portugal), and Anglo-Saxon (the UK, Ireland) traditions. In this chapter, slightly different groupings are used. Finland is added to the group of Scandinavian countries as part of what is now referred to

as the Nordic tradition. The Eastern European countries form their own group owing to their special history before and after the end of the Cold War. In the COCOPS study the latter group includes Croatia, Estonia, Hungary, Lithuania, and Serbia. Previous research has suggested that the Anglo-Saxon countries emphasize NPM while NWS is closer to the Germanic, Napoleonic, and Nordic traditions, although there are certainly differences between the degrees of “old” and “new” Weberian layers. The Eastern European countries have gone through transformations that still make it difficult to predict which of the state traditions they will ultimately espouse. NPG may be part of any state tradition to differing degrees.

While state traditions are relatively fuzzy constellations of values, the abstract models of NPM, NWS, and NPG can be linked to more precise value descriptions or doctrinal principles. Vigoda-Gadot and Meiri (2008) examine NPM values and person-organization fit. In their understanding, NPM values include responsiveness to citizens’ needs, transparency and accountability, innovativeness and reinvention, and efficient and effective achievement of goals based on performance indicators—in many respects similar to what private firms do. In their study Hays and Kearney (1997) summarize the principles of NPM as decreasing the size and scope of the public sector, managerialism (responsiveness, competitiveness, and individual performance), decentralization of authority in order to be closer to customers, de-bureaucratization (emphasis on results rather than process), and privatization of service production. NPM clearly favors market-type provision of services, contracting out, vouchers, and user fees.

Public value management takes another approach to public management. Stoker (2006) has developed a model of public value management that is close to the general ideas of NPG. He says that the public realm is different from the commercial sector. However, he believes that politics is not confined to some specific place, as is the case with both traditional public administration and the NPM approach, but is a broader phenomenon that goes beyond party politics. He deems a wide range of stakeholders legitimate and thinks there is a place for citizen deliberation and public consultation. He believes that people need to share their viewpoints with others and have them endorsed by others. In other words, the citizen and stakeholder perspective is strong as is participation, including negotiations aimed at consensus.

NWS has emerged as a European critique of NPM, preserving some doctrinal elements of the traditional bureaucratic ethos but also some elements of NPM. NWS is based on the principles of a central state,

enforcement of administrative law, preservation of a public service with a distinctive status and terms of employment, representative democracy that controls the bureaucracy, citizen-orientation with a focus on quality and service, public consultation and citizen involvement, results orientation, and professional management (Dunn and Miller 2007; Lynn 2008; Pollitt and Bouckaert 2011). Citizen orientation can be understood as the customer orientation promoted by NPM, but it is a broader concept that also covers citizen involvement, sometimes so broad that it can be linked to NPG. Results orientation is practically the same as NPM's performance management. If we exclude the citizen and results orientation NWS can be understood as the traditional Weberian approach.

The motivation of public servants is closely linked to the values espoused by different public management doctrines and also has a broader background in national variations in professional values (House et al. 2004), signifying a rationale for comparative analysis. Perry and Wise (1990, p. 370) have developed a threefold survey measure of public service motives: a rational motive ("participation in the process of policy formulation, commitment to a public program because of personal identification, advocacy of a special or private interest"), a norm-based motive ("a desire to serve the public interest, loyalty to duty and to the government as a whole, social equity"), and an affective motive ("commitment to a program from a genuine conviction about its social importance, patriotism or benevolence"). In this approach, motivation is linked to a public servant identifying with a cause or set of values, social equity, and the public interest or common good. In a more recent definition of public service motivation (PSM) these aspects were reflected in a modified form: PSM means "the beliefs, values and attitudes that go beyond self-interest and organizational interest, that concern the interest of a larger political entity and that motivate individuals to act accordingly whenever appropriate" (Vandenabeele 2007, p. 547).

PSM, with its focus on "other-regarding" motives, is an alternative to rational motivation theories that build on self-interest (Perry et al. 2010). With its connections to public choice theory, NPM is clearly linked to the self-interest approach to motivation. PSM can be seen as consistent with the traditional bureaucratic ethos which espouses professionalism and concern for society as a whole—and as such is closer to NWS than to NPM. NPG may be more consistent with PSM than NPM, because NPG is more oriented toward the community and consensual aspirations of public service.

The values and motivations of senior executives may vary by policy area, since each policy or set of policies is linked to different societal values that may match the beliefs and values with which senior executives identify (Bozeman 2007). The variation in the nature of tasks or policy areas may likewise entail variations in the values and behavior of public servants (Pollitt et al. 2004; see also Chap. 6). This study distinguishes three different policy areas: traditional, economic, and welfare.

Based on the COCOPS categorization (see Chap. 2), *traditional policy areas* include general government, foreign affairs, finance, defense, and justice, public order, and safety. These sectors reflect the night-watch state before the enlargement of state functions and growth of the administrative state. *Economic policy areas* cover economic affairs, infrastructure and transportation, and environmental protection. These policy areas determine the basic conditions for economic activity. The *welfare policy areas* embrace employment services, health, welfare and other social protection, education, and recreation, culture, and religion. Common to all these policy areas is that they are oriented toward the well-being of citizens rather than that of organizations.

The assumption of this study is that the traditional policy areas are closer to the NWS model than to other models of public sector reform, that the economic policy areas are closer to the NPM model than to other models, and that the welfare policy areas are likewise closer to the NWS model. The NPG model may be related to all policy areas to various degrees, since all policy sectors favor collaboration. The hypothesis of this chapter is that the trichotomy of traditional, economic, and welfare policy affects the role understanding of senior executives, their positioning in different value trade-offs, and their work values and motivation.

In many countries ministries and agencies have different types of missions in the central government organization, and these affect their authority structures and responsibilities (see also Chap. 6). Consequently, ministries and agencies are supposedly dissimilar working environments as far as role understanding, value preferences, and motivation are concerned. Ministries are assumed to be more political organizations than agencies, because they prepare policies under the leadership of a minister, an executive politician, and a member of government. Moreover, leading senior executives have party political affiliations, but these are stronger in some countries than in others (Neuhold et al. 2013). According to previous studies (Egeberg and Trondal 2009), agencies pay less attention to signals from executive politicians than ministries. Agencies are supposed to implement policies in

practice and to create the structures and processes for delivering services to other governmental organizations or customers. We therefore assume that the role understanding and value preferences of senior ministerial executives are more related to agenda formulation and are informed by a more holistic view of collaboration with stakeholders and public interest than those of senior agency executives. The latter's focus would be more on ensuring that professional practices are in line with policies and that performance targets and customers' needs are efficiently met.

In the following sections, the theoretical distinctions described above are linked to senior executives' role understanding, public service-related value preferences (value trade-offs), and work values and motivation and are used to formulate hypotheses and to analyze the COCOPS data. The independent variables are state traditions (as country groups), individual Nordic countries, policy area, and organization type (ministry vs. agency).

ROLE UNDERSTANDING

One question in the COCOPS survey focuses on the role of public sector executives (Table 5.1). The eight items can be linked in pairs to four different approaches to the role of senior executives. The *traditional* role includes impartial implementation of laws and rules and the provision of expertise and technical knowledge. These items refer clearly to neutrality and politician-driven activity, which are also part of NWS—but only in part. The *performance* role is about achieving results and ensuring efficient use of resources. These are clearly NPM-related activities. The *collaborative* role entails finding joint solutions and getting public organizations to work together, which may be understood as partial elements of NPG, as horizontal coordination is a central part of governance. The *agenda-setting* role of providing a voice for societal interests and developing new agendas can likewise be seen as elements of NPG, because input from external actors is crucial in NPG.

On the whole, senior executives consider all roles important, but there are clear differences between country groups as well as between countries. When comparing the perceived importance of different roles with each other, the *performance role comes top* in the Nordic countries but not in the Eastern European and Napoleonic countries, where it is close to the traditional role. The *traditional role comes second* in all the other country groups and in all the Nordic countries. One may conclude that the NPM emphasis on performance has taken a strong hold everywhere, but that the

Table 5.1 'I mainly understand my role as public sector executive as ...' by country groups and Nordic countries in means

	<i>Anglo-Saxon</i>	<i>East Europe</i>	<i>Germanic</i>	<i>Napoleonic</i>	<i>Nordic</i>	<i>Denmark</i>	<i>Finland</i>	<i>Iceland</i>	<i>Norway</i>	<i>Sweden</i>
Traditional	5.8	6.2	5.9	6.0	6.0	5.8	6.0	6.0	5.9	6.2
Impartial implementation of laws and rules	5.8	6.3	5.7	6.0	6.1	5.9	5.7	6.3	5.8	6.6
Providing expertise and technical knowledge**	5.8	6.0	6.0	6.0	6.0	5.7	6.3	5.7	6.00	5.8
Performance	6.3	6.1	6.2	6.2	6.5	6.5	6.4	6.5	6.4	6.6
Achieving results	6.3	6.3	6.3	6.2	6.5	6.5	6.4	6.6	6.4	6.6
Ensuring efficient use of resources	6.2	5.9	6.0	6.2	6.4	6.4	6.3	6.4	6.4	6.6
Collaborative*	5.3	5.5	5.5	5.7	5.4	5.5	5.3	5.3	5.5	5.5
Getting public organizations to work together	5.2	5.5	5.4	5.5	5.6	5.2	5.4	5.1	5.6	6.0
Finding joint solutions	5.4	5.6	5.6	5.9	5.3	5.9	5.3	5.4	5.3	5.1
Agenda setting	4.2	4.9	4.2	4.8	4.5	4.5	4.5	4.9	4.4	4.3
Providing a voice for societal interests	3.7	5.4	4.2	4.7	4.5	4.3	4.3	4.7	4.3	4.8
Developing new policy agendas	4.8	4.4	4.3	4.9	4.4	4.8	4.6	5.1	4.5	3.7

$p < 0.001$ by country groups, except ** $p < 0.01$; $p < 0.001$ by Nordic countries, except * $p < 0.05$
Scale: 1 (strongly disagree)–7 (strongly agree). Means. Role types in bold

traditional role or NWS model continues to be strong too. The *collaborative role* comes in *third* place and the *agenda-setting role* in *fourth*, again in all state traditions. Agenda-setting is clearly the weakest. While it may be interpreted as a more political aspect of administration, it is still, on average, on the “agree” side of the seven-point scale (between 4.2 and 4.9). When collaborative and agenda setting roles are understood as elements of NPG, NPG is clearly there, but with emphasis on collaboration rather than the more political aspects akin to agenda-setting. There seems to be space for public value management in the minds of European senior executives.

When comparing the strength of different types of role understanding there are *no major differences by country groups*. Looking more specifically at the items of role understanding, Nordic countries are stronger in ensuring efficient use of resources (part of the NPM-inspired performance role) and weaker in providing a voice for societal interests (part of the NPG-related agenda-setting role) than Eastern Europe. This raises questions about the nature of agenda-building. In countries still finding their way out of patronage-based administration, this may also include corrupt structures and weak accountability mechanisms.

Among the Nordic countries, the traditional role is considered most important in Sweden (providing expertise is strongest in Finland, however) and least important in Denmark. The performance role is more or less equally strong in all the Nordic countries, as is the collaborative role, whereas agenda-setting is seen as somewhat more important in Iceland than in the other countries. These are indications of the relevance of the NPG model. Swedish top executives consider both traditional and more modern performance roles very important but do not see themselves as developing new policy agendas, even if they do actively make space for societal interests to be voiced. This seems to be slightly contradictory and implies the existence of a political culture where stakeholders are important, yet their input is channeled to agenda-setting perhaps more through politicians than administrators. Anyway, this is consistent with the hypothesis that Sweden has been an enthusiastic implementer of the NWS model. Denmark is unique in its strong emphasis on finding joint solutions, again indicating the relevance of the NPG model. Norway and Finland differ from the others in giving low priority to voicing societal interests, which can be understood as partial evidence of weak implementation of the NPG model. In conclusion, Finland and Norway are most similar and Sweden and Denmark most different in role understanding when we look at specific items, but on the whole *the differences are small within the Nordic family*.

PUBLIC SERVICE-RELATED VALUE PREFERENCES

The provision of public services entails value trade-offs, because many well-justified values cannot be equally realized at the same time. There is a need to find optimal utility balances, but any balance assumes value judgments, often related to political ideologies. Pollitt and Bouckaert (2011) make some more general distinctions between savings vs. quality, flexibility vs. trust, increasing effectiveness vs. accountability, and so on. However, the COCOPS categories are slightly different, with many of them referring to the espousal of public values as part of policy formulation and implementation.

Table 5.2 shows the pairs of contradicting values (e.g., quality - efficiency) used in the COCOPS survey. The values on the right-hand side are closer to the NPM model whereas the values on the left-hand side are closer to the NWS model, with the exception of citizen-orientation. While this value belongs more to NWS, its counterpart, customer focus, is certainly closer to NPM. On the whole, the means are highest (over four on average) in the dimension of following rules vs. achieving efficiency and customer focus vs. citizen-orientation, and lowest (close to three on average) in state provision vs. market provision of services. This means that European respondents tend slightly more toward achieving results, citizen-orientation, and state provision of services over the values opposing to them.

The Nordic countries emphasize tax-financed services as opposed to financing via user fees more than many other regions, reflecting the NWS model. However, contrary to our expectations, there are practically no differences between country groups with respect to state vs. market provision of services. Nordic senior executives put a stronger emphasis than those from other state traditions on equity and following rules as opposed to efficiency and achieving results, which indicates positioning along the lines of the NWS model. The Anglo-Saxon countries come at the opposite end of the spectrum, where senior executives value achieving results and efficiency, but even they favor tax-financed rather than user-fee financed services. In this sense, the Anglo-Saxon executives emphasize the NPM model but they share some understanding with other state traditions of the relevance of the NWS model. Efficiency as opposed to equity are also emphasized in the Eastern European state tradition, but least in the Nordic tradition. Efficiency as opposed to quality scores highest in the Napoleonic state tradition and lowest in the Germanic and Nordic traditions. Customer focus is espoused equally by all country groups with the exception of the Napoleonic countries, which clearly value the citizen perspective.

Table 5.2 'Public services often need to balance different positions. Where would you place your own position?' in means

	<i>Anglo-Saxon</i>	<i>East Europe</i>	<i>Germanic</i>	<i>Napoleonic</i>	<i>Nordic</i>	<i>Denmark</i>	<i>Finland</i>	<i>Iceland</i>	<i>Norway</i>	<i>Sweden</i>
Quality – efficiency	3.7	4.0	3.6	4.2	3.7	4.0	3.8	3.8	3.4	3.6
Equity – efficiency	3.9	4.0	3.6	3.7	3.2	3.4	2.9	4.2	3.4	3.1
Following rules – achieving results*	5.0	4.0	4.5	4.3	3.8	4.0	3.9	3.6	3.9	3.8
Customer focus – citizen orientation	3.7	3.8	4.0	5.0	3.8	3.8	3.4	3.8	4.2	4.0
State provision – market provision	3.4	3.4	3.4	3.2	3.2	3.9	3.3	3.5	3.3	2.8
Tax financed – user charges	3.9	3.5	3.7	3.7	3.3	3.9	3.6	3.3	3.4	2.7

p < 0.001 by country groups; *p* < 0.001 by Nordic countries, except *n.s.
 Scale: 1–7. Means by country groups and Nordic countries

One may conclude that the Nordic state tradition stands out as a proponent of equity, following rules, and tax-financed services as opposed to efficiency, achieving results, and user charges. These elements indicate an NWS orientation. The Nordic tradition is most similar to the Eastern European tradition, because both share the emphasis on following rules and tax-financed services, but the Nordic tradition more so. It seems that the *Nordic tradition has more in common in value trade-offs with the Eastern European tradition*. They also share a stronger orientation toward the NWS model than the NPM model. The Anglo-Saxon countries were forerunners in adopting the NPM model and this is clearly reflected in the data. But it is surprising that *all the other regions emphasize achieving results more than the Nordic countries*. Perhaps the other groups of countries, with the exception of the Anglo-Saxon group, are just in the middle of introducing performance management, whereas the Nordic countries did so much earlier.

Within the Nordic countries, Denmark seems to be unique in its emphasis on efficiency, market provision of services, and emphasis on user fees. Finland scores higher on equity and customer focus, Iceland high on efficiency (as opposed to equity). Norway scores high on citizen orientation. Sweden is prominent in espousing both state provision of services and tax-financed services, indicating a clear orientation toward the NWS model. The Danish profile is closest to the Anglo-Saxon countries. Denmark stands out as the Nordic country with the strongest NPM-orientation in its public service-related value preferences. Other Nordic countries indicate more mixed profiles. The Nordic welfare state tradition has meant active public policies emphasizing equity and government provision and tax-financed services, but while Danish senior executives seem to have distanced themselves from these policies, their Swedish colleagues continue to espouse them.

WORK VALUES AND MOTIVATION

The work values held by senior executives were probed by asking them to indicate on a scale of one to seven the importance of nine elements in their job: interesting work, high income, opportunities to help others, job security, latitude for making decisions, opportunities for promotion, usefulness to society, flexible working hours, and status. Some of these elements clearly refer to intrinsic rewards (for example interesting work), while others might be categorized as extrinsic rewards (for example high income)—a classical

distinction in motivation theory (Herzberg et al. 1959). An explorative factor analysis was conducted to obtain a more concise picture of the structure of motivation. The resulting three factors² are shown in Table 5.3.

The extrinsic rewards of factor one (bolded in Table 5.3) are understood here as *instrumental motivation*: the rewards are external to the content of the work. Pro-social items like being useful to society and having opportunities to help others can be understood as a partial measure of PSM. In Perry's and Wise's (1990) approach, these elements come close to the norm-based items of public service: a desire to serve the public interest, loyalty to duty and the government as a whole, and social equity. As rational and affective elements of their approach are not included, this factor is here called the *common good*. Interesting work, latitude to make decisions, and flexible working hours were interpreted by Steen and Weske (2016) as "intrinsic workplace attitudes," but it is suggested here that they are part of *professional task motivation*. In the literature on professions (Abbot 1988), it is often stressed that the rewards from interesting work are important in themselves, as is autonomy related to work performance—all elements in the focus of factor three. However, professional values embrace more normative elements, such as accountability and service attitudes. Task motivation, for its part, as it is understood in goal-setting theory (Locke and Latham 2002), may also include monetary incentives and the focus is on how goals contribute to performance, rather than on the nature of the tasks as such. Common good motivation and professional task motivation are understood here as two aspects of *internal motivation*.

Table 5.3 Work values. Factor analysis

	<i>Factor 1</i>	<i>Factor 2</i>	<i>Factor 3</i>
High income	0.696	0.082	0.159
Job security	0.698	0.316	-0.014
Opportunities for promotion	0.652	0.204	0.488
Status	0.719	0.037	0.307
Opportunities to help others	0.322	0.827	0.111
Useful for society	0.103	0.821	0.319
Interesting work	0.022	0.431	0.575
Room to make decisions	0.231	0.309	0.737
Flexible working hours	0.311	-0.041	0.692
Cronbach's alpha	0.659	0.661	0.441

Question: "How important do you personally think it is in a job to have?"
Scale: 1 (not important at all) to 7 (very important)

In all countries, the motivation of the respondents is at the higher rather than the lower end of the seven-point scale for all items, with the minor exceptions of flexible working hours and status in a few countries. However, there are clear differences in which type of motivation scores highest and second highest in the different country groups and in the Nordic countries (Table 5.4). *Professional task motivation is highest in Nordic and Germanic countries* and it also comes first in these country groups. *Common good motivation is highest in Eastern European and Napoleonic countries*, where it comes first, as it does in the Anglo-Saxon countries. Professional task motivation is ranked second in the same three country groups and is slightly stronger in Eastern Europe. Instrumental motivation is placed third and is the lowest type of motivation in all groups of countries, albeit with higher scores in Eastern Europe and the lowest scores in the Napoleonic, Nordic, and Germanic countries. Professionalism features prominently in the profile of the Nordic countries, whereas the common good approach is more in the middle compared with other state traditions. One may conclude that Nordic countries are not a unique group, but similar to Napoleonic and Germanic countries, with low instrumental motivation and hence a low NPM orientation, and similar to Germanic countries in their high professional task motivation, akin to the NWS model.

Among the Nordic countries, the most striking difference is that Icelandic senior executives score highest and Danish executives lowest on most items relating to work values (total means of items 5.8 vs. 5.1). This interesting phenomenon cannot be addressed here, but it affects the more specific conclusions we draw about country differences. The basic structure of motivation is the same for all Nordic countries: professional task motivation is highest and instrumental motivation lowest, with the common good motivation taking a middle position. There are some differences between countries. Denmark scores lowest both on common good and on professional task motivation, which we have linked to NWS-type motivation. Sweden comes out strongest on common good motivation together with Iceland. Norway has no strong profile, as it stands out on only one item: scoring lowest on valuing opportunities for promotion. Finland's profile is also weak, as Finnish senior executives are strongest in valuing flexible working hours and weakest in valuing status, but Swedes share these attitudes with Finns. While *Denmark is clearly weakest in NWS-oriented motivation, Sweden is strongest in some aspects of NWS-oriented motivation together with Iceland*. Icelandic executives introduce an internal tension, as they score high both on instrumental motivation

Table 5.4 Importance of different work values, by country groups and Nordic countries in means

	<i>Anglo-Saxon</i>	<i>East Europe</i>	<i>Germanic</i>	<i>Napoleonic</i>	<i>Nordic</i>	<i>Denmark</i>	<i>Finland</i>	<i>Iceland</i>	<i>Norway</i>	<i>Sweden</i>
Instrumental	5.1	5.7	5.0	4.9	4.9	4.9	4.9	5.6	4.7	4.9
High income	5.1	6.0	4.9	5.1	5.1	5.2	5.0	5.5	5.0	5.2
Job security	5.5	5.8	5.3	5.0	5.0	4.4	5.3	5.5	4.8	4.8
Opportunities for promotion	5.8	5.7	5.3	5.3	5.3	5.5	5.3	5.8	4.6	5.4
Status	4.2	5.2	4.5	4.1	4.3	4.3	4.1	5.4	4.3	4.1
Common good	5.7	6.0	5.4	5.9	5.6	5.1	5.5	5.9	5.5	5.9
Opportunities to help others	5.4	5.8	5.0	5.5	5.2	4.4	5.0	5.7	5.0	5.6
Useful for society	6.0	6.1	5.8	6.3	6.1	5.8	6.0	6.1	5.9	6.2
Professional task	5.5	5.7	5.9	5.5	6.0	5.6	6.0	6.0	5.9	6.1
Interesting work*	6.6	6.4	6.5	6.5	6.6	6.7	6.6	6.6	6.5	6.6
Room to make decisions	5.9	6.0	5.9	5.7	6.0	5.9	5.9	6.1	5.9	6.2
Flexible working hours	4.1	4.7	5.1	4.3	5.3	4.0	5.5	5.3	5.1	5.4

p < 0.001 by country groups; *p* < 0.001 by Nordic countries, except *n.s.
 Scale: 1–7 Types of motivation (in bold). Means

linked to the NPM model and on common good motivation linked to the NWS model. This would require contextual analysis, which is not possible within the confines of this study.

One may conclude that instrumental motivation is lowest in all state traditions, but the main motivational difference is between the more common good-oriented Napoleonic and Eastern European traditions, on the one hand, and the more professionally task-oriented Germanic and Nordic countries on the other hand. This is consistent with previous studies (Painter and Peters 2010) that find the policy style of the Scandinavian tradition professional, technocratic, and consensual. The case of Eastern Europe with both strong common good-orientation and strong instrumental orientation may be linked to its recent history. After the Cold War these countries started a new era of state-building, pursuing a more neutral public service and market economy. However, this was partly based on international consultation in modernizing their administrations and resulted in the installation of NPM-related practices based on an instrumental orientation. The muddling through/legal emphasis in the policy style of the Germanic tradition and corporatist/legal emphasis of the Napoleonic tradition do not seem to correspond clearly with the nature of motivation. Anyway, the culture of a strong state that informs both the Germanic and the Napoleonic traditions, based on their nation-building history, may support the relatively strong common good motivation shown by the respondents from those regions, which is also confirmed by other studies (Vandenabeele and Van de Walle 2008).

Professional task motivation and common good motivation compete for the most important type of motivation. They can be linked to traditional ways of understanding the role of public service, but the COCOPS data do not support the existence of any strong connection. It is clear that instrumental motivation—more consistent with the NPM approach than with NWS or NPG—is weaker than the more traditional common good and professional task motivation, both consistent with the NWS model. Performance pay and prospects of a good managerial career may not be as strong instruments for increasing motivation as HRM guided by the NPM doctrine suggests. However, instrumental motivation may have become stronger or weaker, although it is now weaker than common good and professional task motivation. The COCOPS data cannot show whether there has been any change in the level of instrumental motivation, but previous research done in Italy (Bellé and Ongaro 2014) indicates that NPM reforms may reduce public service motivation.

DIFFERENCES BY POLICY AREA

Role Understanding

The nature of tasks in different policy areas may lead to different understandings of the relevance of available roles. One may hypothesize that the traditional role is more important in traditional policy areas and that the performance role is more important in economic policy areas. However, the collaborative and agenda-setting roles are not easily linked to specific types of policy area, although they may be more prevalent in sectors where NPG-type activities are important, perhaps more in the economic and welfare sectors of public administration.

On the whole, the results of the COCOPS survey indicate that the role understanding does not differ to any great extent by policy area among countries, leading us to focus on the few, rather small differences. In traditional policy areas Nordic senior executives show slightly less inclination toward agenda-setting activities (4.3 vs. 4.6³), in particular providing less voice for societal interests. This indicates certain weaknesses in some aspects of the NPG orientation in traditional policy areas. In other country groups the differences are practically non-existent. Among the Nordic countries, Finland and Iceland also confirm a Nordic tendency, emphasizing the agenda-setting role less in traditional policy areas than in other areas (differences 0.4 and 0.7 respectively). In economic policy areas, Nordic senior executives see no differences between the role understandings in relation to traditional and welfare policy areas, nor is there any major variation between Nordic countries. The same applies to the other state traditions. In the welfare policy areas only the Eastern European senior executives stand out, as they underscore the agenda-setting role more (5.1 vs. 4.8) than in the two other policy fields. Within the Nordic family, only the Icelandic senior executives in the welfare policy areas show a difference, as they emphasize the collaborative role less than executives in traditional and economic policy areas (difference 0.6). We may conclude that our hypotheses are not confirmed. The results are quite mixed, but they indicate that only the NPG-related collaborative and agenda-setting roles are to some extent linked to policy area variations in role understandings.

Public Service-Related Value Preferences

The values that inform the different policy areas generate multiple cultures in public service policy. However, according to the results of the COCOPS

survey, value preferences do not differ significantly by policy areas when these are taken as a whole. Nevertheless, the economic and welfare policy areas show more differences in value trade-offs than the traditional policy areas do. The differences concern state vs. market provision of services and tax-financed vs. user-fee financed services.

In the Nordic countries market provision of services and user-fee financing score higher in economic policy areas than in other policy areas (3.7 vs. 3.1 and 4.0 vs. 3.1); the same goes for the Germanic (3.8 vs. 3.1 and 4.1 vs. 3.6) and Anglo-Saxon countries (4.3 vs. 3.3 and 4.6 vs. 3.7). In the Napoleonic countries such a difference applies only to user fees (4.1 vs. 3.5), but Eastern Europe stands out as a group of countries with no this types of differences. Within the Nordic countries, the difference is clearly the same in all countries (as large as 0.6–1.2) with the exception of Norway, where senior executives do not perceive the economic policy areas any differently to the other areas. With some exceptions the conclusion is clear: *senior executives working in the economic policy areas tend to understand the values associated with the NPM model of providing and financing public services better* than those working in other areas. This is in line with our assumption, albeit with fewer value trade-offs than expected.

In the Nordic countries, state provision of services and tax-financed services are supported more in the welfare policy areas than in other policy areas (2.9 vs. 3.4 and 2.8 vs. 3.6, respectively). As for state provision of services, the Eastern European countries (3.0 vs. 3.5) show a similar trend to the Nordic countries. These are the only major differences related to policy areas between country groups. Once again, there is an interesting variation among the Nordic countries, as all other senior executives underscore the importance of state provision and tax-financing in welfare policy areas (the differences being 0.4–1.1). The exception is the Norwegian executives working in the welfare policy areas, who do not take up a firm position on either side. Given the strong role Nordic senior executives ascribe to government responsibility in public services, the welfare policy areas are clearly closer to the NWS model in the Nordic group than in the other groups of countries. *Nordic executives working in the welfare areas stand out as the group that relies most on state provision and taxation in service provision.* In the economic policy areas, the Nordic countries as a group have more similarities with other country groups, but among the Nordic countries national variations are the same as in the welfare policy areas: *Norway is an exception* in both policy areas, as Norwegian executives' value trade-offs related to the government's role in public service provision and financing

do not differ by policy area. This distinctive Norwegian profile would require more contextual analysis that is not possible within the confines of this study.

Work Values and Motivation

Comparing work values and motivation by policy area reveals a few differences, but no major differences in the traditional policy area, which we assumed to be associated with a stronger common good motivation and weaker instrumental motivation. In the Nordic countries, common good motivation is slightly lower in the economic policy areas than in other policy areas (5.4 vs. 5.7) but there is no such difference in the other country groups. Within Nordic countries there is the same difference only among Swedish senior executives (5.5 vs. 6.0). In the Nordic countries, common good motivation is a little stronger in the welfare policy areas than in other areas (5.8 vs. 5.5), but this is not the case in the other European regions. Among the Nordic countries, Sweden once again stands out as the only country with a similar emphasis on common good motivation (6.0 vs. 5.7). The Nordic case is consistent with our assumption of strong links between common good motivation and the welfare policy areas and weaker links between common good motivation and the economic policy areas.

DIFFERENCES BY ORGANIZATION TYPE

Role Understanding

Ministries and agencies are supposedly dissimilar working environments with regard to role understanding, because ministries are more policy-centered and agencies more production- and customer-oriented. The agenda-setting role is perhaps the most political of the four roles we are able to analyze, but although it is the weakest role (lowest means), it is stronger in ministries than in agencies. This applies to both the Nordic countries (4.8 vs. 4.4) and the other country groups (mean differences of around 0.5), with the exception of the Napoleonic countries where this difference is practically absent. The same is true of the collaborative role, albeit only in the Nordic (5.7 vs. 5.4) and Germanic (5.7 vs. 5.2) countries where this role is stronger in ministries. Among the Nordic countries, both roles are clearly stronger in the Finnish and Norwegian ministries than in the respective agencies, but this difference is not discernable in the

other Nordic countries. If we construe the agenda-setting and collaborative roles as reflecting the NPG approach, we may conclude that *NPG-oriented roles are stronger in the Nordic and Germanic ministries* than in other countries' ministries, and especially in the Finnish and Norwegian ministries.

The perceived importance of traditional roles and performance roles does not differ between the two organization types in any country group to any great extent. This contradicts our hypothesis. Ultimately, the senior executives of agencies are not more oriented toward traditional and performance roles than their counterparts in the ministries, as we hypothesized based on the more administrative nature of these roles. Only the results related to the agenda-setting role and collaborative role confirm our hypothesis that these would be stronger in ministries than in agencies.

Public Service-Related Value Preferences

We would expect the value preferences of senior executives working in ministries to be somewhat different from those of executives working in agencies, since ministries are assumed to be more political and agencies more production- and customer-oriented. Furthermore, we would expect this difference to be more likely if the value trade-offs are more contested, that is more political. The contestedness of values differs by political culture, but perhaps the equity vs. efficiency, state provision vs. market provision, and tax-financed vs. user-fee financed dimensions have more ideological tensions than quality vs. efficiency, following rules vs. achieving results, and customer- vs. citizen-orientation.

The results only partly confirm the hypothesis. Contrary to our assumption, the customer focus vs. citizen orientation stands out as a dimension where the difference is strongest. Customer focus is clearly higher in agencies and citizen orientation higher in ministries in all country groups (varying in agencies between 3.6 and 4.6 and in ministries between 4.3 and 5.1). The only exceptions are the Anglo-Saxon and Eastern European countries and Sweden, where the difference is absent. The difference is more understandable if the citizen perspective is seen as a more political approach and the customer focus as a more administrative one. Although state provision of services is generally more supported than market provision, Nordic senior executives working in ministries are inclined to emphasize more market provision, whereas agency executives underline state provision (3.6 vs. 3.1). This difference is greatest in Iceland and Norway,

but there is no difference in Denmark. The dimension seems to be contested and confirms our hypothesis in this sense. One interpretation might be that *market provision is more of a policy wish of ministerial level executives, whereas agencies focus more on existing state provision*. Tax-financed vs. user-fee financed services is a slightly less contested dimension, but the variation is the same. In Nordic ministries user fees are supported more than in agencies (3.7 vs. 3.2).

We may conclude that senior executives of ministries and agencies mostly share similar value preferences, but there are some interesting differences related to the state vs. market dimension in some country groups. Nordic ministries stand out as being more citizen-oriented and as greater advocates of market provision and user fees than Nordic agencies. In that sense, *Nordic ministries espouse the NPM approach more than Nordic agencies*, but their citizen-orientation is at odds with this as it is more readily associated with the NWS approach. The other country groups do not display such a strong NPM orientation in their value trade-offs, but the Germanic and Napoleonic countries share the same NWS-like preference as the Nordic countries in emphasizing a citizen as opposed to a customer focus more in ministries than in agencies.

Work Values and Motivation

We assumed that the common good motivation would be stronger in ministries and the professional task motivation stronger in agencies, because ministries are thought to be more political and agencies more oriented to service provision. There are no good arguments why instrumental motivation should vary between the two organization types. The results do not directly confirm our hypotheses. All motivation types are more or less equally strong in ministries and agencies in all country groups.

CONCLUSIONS

The role understanding, public service-related value trade-offs, and motivation of Nordic senior public executives have some common features that distinguish them from other European countries and state traditions, but there are also overlapping elements. Previous studies of public sector reforms (Pollitt and Bouckaert 2011) postulate initial links between countries and models of political-administrative regimes and reforms. NPM is linked to the Anglo-Saxon countries, NWS to the Nordic countries, and

possibly also to the Germanic and Napoleonic countries with their greater emphasis on traditional public administration. NPG cannot be easily linked to any country as it is too general an approach, and Eastern Europe is still in the process of transforming its political and administrative culture.

The study confirms some of these links but also yields some surprises and points to a need for further research. Contrary to the country-specific assumptions outlined above, the role understanding of senior executives does not differ to any great extent between European country groups. The different types of role understanding tend to be the same in all state traditions: either the NWS-relevant traditional role or the NPM-relevant performance role turns out to be strongest or else they are of similar strength. The NPG-intensive agenda-setting role is weakest in all the country groups, while the NPG-oriented collaborative role comes somewhere in-between. One may conclude that the NWS and NPM emphasis and role understanding are stronger than the NPG emphasis in all European state traditions.

In public service-related value preferences Nordic senior executives emphasize equity, following rules, and tax-financed services as opposed to efficiency, achieving results, and user fees. It seems that the Nordic tradition is more similar to Eastern Europe with respect to value trade-offs than to other regions, and they share NWS principles in this respect. Professional task motivation of Nordic executives is high and as strong as in most country groups, while common good motivation is weaker than in the Napoleonic and Eastern European countries and instrumental motivation is lower than in the Eastern European countries. There is no particular Nordic motivation, as low instrumental motivation is shared with the Napoleonic countries and high professional task motivation with the Germanic countries. Given the proposed links of these orientations with NPM and NWS, we may conclude that the Nordic countries are relatively robust in their articulation of NWS principles and have some distance to the NPM model.

The variation by policy areas indicates that the role understanding of senior executives does not differ to any great extent by policy area among European countries. This disconfirms our hypothesis that the traditional role is more important in traditional policy areas and the performance role more important in economic policy areas. A distinctive Nordic profile can be seen in policy-related value preferences connected to the welfare policy area: state provision of public services and financing by taxation are supported more among senior executives working in the welfare policy area than by those in other policy areas in the Nordic countries. Moreover,

only in Nordic countries is the common good motivation stronger in the welfare policy area than in other policy areas, underlining the NWS nature of the welfare sector in the Nordic tradition. Only the Nordic case is consistent with our assumption of stronger links between common good motivation and the welfare policy area and weaker links between common good motivation and the economic policy area.

Ministries and agencies are supposedly dissimilar working environments with respect to role understanding, value preferences, and motivation, because ministries are assumed to be more political and agencies more production- and customer-oriented. This is consistent with the results of our study, except for motivation. The politically intensive agenda-setting and collaborative roles, which also reflect the NPG approach, are seen as more important in ministries than in agencies throughout the country groups (except in the Napoleonic one; and the difference is biggest in Finland and Norway). As for value preferences, citizen-orientation is emphasized more in the ministries and customer-orientation more in the agencies. Although state provision as opposed to market provision of public services is generally underscored by Nordic executives, this emphasis is clearly stronger in agencies than in ministries, with the exception of Denmark where the value preferences do not differ by organizational background. The motivation of senior executives is roughly the same in ministries and agencies in all country groups. Nordic ministries tend to underscore politically intensive roles and values, emphasizing both the NPG- (especially in Finland and Norway) and NPM-relevant orientations more than agencies; this is not such a clear trend in other country groups. Perhaps the Nordic ministries would like to see stronger NPM-oriented reforms implemented at the agency level.

Looking more specifically at the Nordic countries, one can find some interesting differences in country profiles. Denmark stands out from the other Nordic countries. Danish senior executives are least motivated on average and their traditional role understanding, interpreted here as an articulation of the NWS model, is lower than in the other Nordic countries. However, Danish executives display a strong NPM orientation in their value preferences for public services. In addition, Danish executives have a low common good motivation and professional task motivation compared with other Nordic countries, which indicates a weak NWS orientation. One may conclude that Danish senior executives have the strongest NPM orientation in the Nordic family.

Finland differs slightly from the Nordic family, but some elements suggest a NWS orientation. Iceland's profile is somewhat stronger: it is most motivated on average, both with respect to the NPM-relevant instrumental motivation and to the NWS-oriented common good motivation. This tension suggests interesting contextual diversity in motivation. Norway has quite a weak profile within the Nordic family, but some items of role understanding indicate lower NPG orientation. Moreover, Norwegian value preferences do not differ by policy area as in the other Nordic countries. Sweden stands out with certain weak aspects of an NPG-type role understanding, the strongest emphasis on NWS-related value preferences in public services, and with a motivation that places more emphasis on the common good. With its relatively strong NWS orientation Sweden can be construed as the "opposite of Denmark" in the Nordic family.

In addition, there are some unexpected results that need more attention. For example, the traditional role understanding is not stronger in traditional policy areas, as we might have expected, but equally strong in all three policy areas; the performance role is not stronger in the economic policy area but equally strong in all three policy areas; instrumental motivation is clearly lowest, indicating that the effectiveness of NPM-based HRM might be limited; Eastern European executives' instrumental, common good, and professional task motivation are all very high and equally high; and Swedish executives' motivation is clearly higher in agencies than in ministries.

From the point of view of effective public value management, it is important to grasp that role understanding, values, and motivation vary—at least by state tradition, country, policy area, and organization type. These are important factors if we want to understand more clearly, for example, to what extent there is a shared administrative identity in Europe (Sager and Overeem 2015). It is reasonable to expect that the contingency approach to public value management will receive more attention in research.

NOTES

1. The analysis of means mostly focuses on differences of $p < 0.001$ and 0.05 or larger as values of variables, when the scale is 1–7. The notation of statistical significance is the following throughout the chapter: * = $p < 0.05$, ** = $p < 0.01$, *** = $p < 0.001$. Means are based on variance analysis and tested with *F*-test.

2. An oblique rotation was chosen, as there is no reason to assume that the main dimensions of motivation should be independent from one another. The factors are the same as in another study (Steen and Weske 2016) that used a slightly different version of the survey data from the COCOPS study (17 countries instead of the full 19), but the factor loadings and our interpretation of the factors differ.
3. All mean differences referred to in this section are significant on the 0.05 level and most of them on the 0.001 level.

Administrative Reform: Processes, Trends, and Content

Per Lægveid and Lise H. Rykkja

INTRODUCTION

This chapter addresses recent processes of reform and new arrangements for public sector organizations in the Nordic countries. The Nordic countries are often portrayed as model states in terms of government reform, and as efficient and successful economies and democracies with excellent welfare and security systems. Central research questions in this chapter are whether there is a specific Nordic administrative reform model and what the main similarities and differences are between the five Nordic countries and between the Nordic countries and other European countries. We will set out to explain similarities and differences in reform processes, reform trends, and reform content.

A main question is to what degree the central government administrations in the Nordic countries have been affected by New Public Management (NPM) reform initiatives and moved towards a “management bureaucracy”

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or “managerial state” (Pollitt 1990; Clarke and Newman 1997; Considine and Painter 1997; Painter 2011; Hall 2012). To what extent are post-NPM reform features present (Christensen 2004; Christensen and Læg Reid 2007b)? Have they replaced NPM? Are the Nordic countries pursuing a third way between continuity and adaptation (Klausen and Ståhlberg 1998) or have the different reform trends resulted in a layering process characterized by increased complexity and hybridity (Christensen and Læg Reid 2011c)?

The chapter describes and analyzes senior executives’ views of current reform processes, reform trends, and reform content within their own country. In the COCOPS survey, the *reform processes* were described along several dimensions: whether they were top-down or bottom-up, driven by politicians or by bureaucrats, crisis-driven or planned, contested by the unions or not, and whether they were characterized by a high level of public involvement.

The *reform trends* concern the prevalence of both NPM and post-NPM reforms in the five Nordic countries. Typical NPM reforms include contracting out, privatization and management by objectives and results, while typical post-NPM reforms focus on issues such as collaboration and coordination within the public sector, mergers, digital or e-government, and citizen participation. The relevance of traditional Nordic reforms such as agencification and transparency were also addressed, as was reducing red tape. Regarding *reform content* the survey distinguished between the following dimensions: whether they were seen as consistent, comprehensive or partial, substantive or symbolic, designed to cut costs or improve services, and whether there was a reform overload or deficit.

We examine whether senior central government executives in the Nordic countries perceived these reform processes, trends, and content in similar or different ways and how their perceptions differed from the views of top administrative executives in other European countries. How much importance was attached to these reform trends, how were they perceived, and how were the dynamics of their implementation assessed? We focus on three research questions:

1. Is there a Nordic model of reform processes, trends, and content that distinguishes the Nordic bloc of countries from the rest of Europe?
2. Are there significant differences between the Nordic countries regarding reform processes, trends, and content?
3. How can we explain the patterns we observe? What is the explanatory power of national, structural, and demographic features?

In the following, we first outline our theoretical perspectives, distinguishing between country, structure, and demography. Second, we present the data and our analytical model. Third, we describe the reform landscape, addressing the reform processes, reform trends, and reform content in the Nordic countries and in other groups of European countries. Fourth, we conduct a multivariate regression analysis of the Nordic countries, examining the impact of country features, structural features, and demographic features on reform processes, reform trends, and reform outcomes. The final section sums up the main findings and provides a conclusion.

THEORETICAL PERSPECTIVES

While the debate concerning whether there is a convergence or a divergence in administrative reforms is still ongoing, most scholarly work to date has argued that there is no convergence towards a single organizational form (Pollitt and Bouckaert 2011; Pollitt 2001, 2002; Lægreid 2001, 2015; Christensen and Lægreid 2012). The Nordic countries have been characterized as adopting a “modernizer strategy”—a strategy where time is taken to gather the necessary consensus and support for reforms from multiple groups and stakeholders. The Nordic countries do not follow such a managerial and user-responsiveness strategy exclusively, however, but have increasingly adopted competition and marketization strategies, albeit stopping short of major privatization (Foss Hansen 2011). In recent years, post-NPM reforms, such as digital era governance, new public governance, and whole of government initiatives, have also increasingly come to the fore (Christensen and Lægreid 2007b; Greve 2012).

In the following, we look at possible explanations for various reform characteristics, distinguishing between a country-specific perspective, a structural perspective, and a demographic perspective based on the general model of analysis described in Chap. 1.

Does Country Matter? The Importance of Administrative Traditions and Situational Factors

Administrative Traditions

Administrative traditions and national political-institutional legacies can be important for understanding reform processes, trends, and outcomes (Pierre 2011). Painter and Peters (2010) argue that there is a specific

Scandinavian administrative tradition or a “family” of countries whose common administrative legacy distinguishes them from other families, such as the Anglo-Saxon, the Napoleonic, the Germanic, and the Eastern European. From this perspective, the Nordic countries display major similarities in their socio-economic and political features. The Nordic countries are known for their large, universal welfare states and extensive public sectors. They have a well-established cooperation between the state, civil society, and the private sector through a longstanding developed system of integrated participation in government by stakeholders. The decision-making style is generally not confrontational but consensual and collaborative, allowing participation and representation from stakeholders (Pollitt et al. 2007). The level of corruption is low and there are high levels of trust in government as well as mutual trust relations between politicians and administration. The civil service has a high status, is merit-based, professional, and non-politicized; there is a strong statist view of governance and the state’s welfare orientation is also strong (Painter and Peters 2010). Administrative executives’ actions are generally very open to scrutiny, and the levels of transparency and open access to government documents are high. The Nordic countries thus share a political culture in which the state plays a central role in managing society. There is also a long tradition of semi-autonomous central agencies (Balle Hansen et al. 2012).

A distinction is commonly drawn between an East Nordic and a West Nordic administrative model (see also Chap. 4). The East Nordic model finds its clearest expression in the organizational structure of the Swedish central government administration (Lægreid and Pedersen 1999; Jacobsson et al. 2004), where there is a clear distinction between the government and its ministries on the one hand and the central agencies on the other. The central agencies are rather large, are formally independent of the individual minister but subordinate to the government as a whole, and report to the cabinet as a collective rather than to individual ministries.

In contrast, the West Nordic administrative model represented by Norway, Denmark, and Iceland is characterized by ministerial rule. Under ministerial rule, a minister can be held accountable by Parliament for all decisions made by subordinate administrative bodies. Ministries are formally responsible for their subordinate agencies. This means that the formal autonomy of these agencies is more restricted. The autonomy of the directorates may vary but the ministers are always accountable for the actions of the directorates.

How much difference there is between the East and West Nordic administrative models is a matter of debate. It has been considered large (Petersson 1994), but may turn out to be much smaller if the more informal contacts and relationships between ministries and agencies are taken into account (Jacobsson and Sundström 2009; Jacobsson et al. 2015). The variation among the Nordic states with regard to the administrative system must be seen in the more general context of considerable homogeneity (Jacobsson et al. 2004). Given the Nordic tradition of a strong state, a pertinent question addressed in this chapter concerns the impact of the NPM movement and so-called post-NPM on the Nordic countries.

To answer this, we distinguish between a convergence hypothesis, a divergence hypothesis, and a translation hypothesis. The *convergence hypothesis* predicts that the specific Nordic model would fade away when the NPM movement hit Europe and that thereafter the differences between the Nordic countries and the rest of Europe would be small. The divergence hypothesis has two variants. *Divergence hypothesis I* predicts that because the Nordic administrative tradition is so robust, major differences between the Nordic countries and the rest of Europe would be preserved (that is there is a distinct Nordic model). *Divergence hypothesis II* expects the Nordic model to remain distinctive but predicts significant differences within the Nordic family emanating from the West Nordic and East Nordic administrative models. The *translation hypothesis* predicts that NPM measures would be translated when they were imported into new contexts and that different countries and families of countries would make selective use of certain reform elements but not others (Christensen and Lægheid 2007a).

Situational Factors

Although we would expect administrative legacy to be of great importance in explaining the processes and content of administrative reforms, there is also a need to examine situational factors that may have facilitated reform efforts (Olsen and Peters 1996). In times of crisis, reforms tend to take new paths (Grøn et al. 2014). NPM reforms are generally associated with fiscal stress (Hood 1996). Indeed, fiscal crises are usually seen as a spur and trigger to reform. One of the most important situational factors in our time is the financial crisis of 2008/2009, which hit some Nordic countries worse than others (see Chap. 9). Iceland, for example, faced a serious financial crisis while Norway, with its large oil and gas revenues, was able to escape the brunt of the crisis. Thus, a *situational hypothesis* is that there

would be significant differences between Norway and Iceland regarding the process and content of administrative reforms. The expectation was that Norway would be a more reluctant reformer than Iceland.

Does Structure Matter?

Formal structure channels attention and capacity (Simon 1947) and we would therefore expect location in a structure to have an important influence on attitudes and behavior. This means that what the organizational landscape looks like should matter and hence give rise to variation. With respect to structure, we will in the following look at four independent organizational variables: the dominant form of affiliation (i.e. whether the relationship between ministries and agencies is tight or loose); the respondents' position within the organization; organizational size; and type of task or policy area.

Gulick (1937) argues that the way formal authority is distributed among hierarchical levels is important for autonomy and control in practice. It makes a difference whether central government is an integrated system under ministerial responsibility or a disintegrated system of autonomous or semi-autonomous organizations or agencies (Christensen and Læg Reid 2006). The *form of affiliation* of an agency represents the degree of structural devolution from the parent ministry. Administrative executives working in ministries will presumably identify more with their own ministry, pay more attention to dominant political signals, and score higher on attendance to both NPM and post-NPM measures, while those working in central agencies will pay more heed to professional values and signals from users and stakeholders (Egeberg and Trondal 2009). This means that one can assume that structurally devolved agencies will adopt management tools to a lesser extent than ministries. Our general hypothesis based on this is that ministerial executives will be more likely to support management tools than their agency counterparts.

According to the same type of structural argument, *position within an organization* will matter. Top leaders will be expected to have a different structural outlook and different attitudes and contacts and therefore to behave differently from managers further down in the hierarchy and have different attitudes toward reforms (March and Olsen 1983). We assume that the traditional bureaucrat will exhibit the characteristic features of top-level executives, such as loyalty to political signals and established rules and procedures and adherence to the ideals of impartiality, performance,

and efficiency, and will therefore act in a manner appropriate to his or her position (Lægreid and Olsen 1978; March and Olsen 1989). Based on this, we would expect top-level administrative executives to be more committed to reforms than managers at lower levels.

Organizational size is a structural feature that may influence the capacity to initiate policies, develop alternatives, and implement final decisions (Egeberg 2012). It might also have an effect on reform processes and content (Lægreid et al. 2007). Our expectation based on this is that small organizations will adopt modern management tools to a lesser extent than large organizations.

A fourth structural variable is the *type of task or policy area*. Studies of agencies reveal that there are significant variations in executives' behavior according to what their primary tasks are (Pollitt et al. 2004; Rubecksen 2010). Here, we distinguish between three policy areas: traditional policy, welfare state tasks, and economic policy. Our general hypothesis is that executives working in the economic field will be more positively disposed towards administrative reforms than those working in the traditional administration and the welfare sector, where other basic values based on classical bureaucratic attitudes and redistribution are likely to be more prevalent than efficiency tools.

Does Demography Matter?

A third perspective is a demographic one (Lægreid and Olsen 1978; Pfeffer 1983). This perspective focuses on the composition of an organization and looks at traits of the individual civil servant that might influence organizational outcomes, such as age, gender, and education (Christensen and Lægreid 2009a, b; Egeberg 2012). A basic argument is that the personal background of administrative executives will influence their modes of thought and their behavior within the civil service. Through early socialization a civil servant comes to a government institution with certain "baggage" that affects his or her subsequent attitudes and behavior. This "theory of representative bureaucracy" presupposes that social background is important for attitudes and action (Meier 1973; Lægreid and Olsen 1978; Peters et al. 2015; von Maravic et al. 2013). Who you are and where you come from will be more significant than where you are located in the formal structure or what administrative culture you belong to.

Based on this, we would expect the *level of education, gender, and age* of top administrative executives to have an impact on their attitudes to

the processes and content of administrative reforms. Our supposition is that younger, female government managers with higher education will be more receptive to administrative reforms than older, male administrative executives with a lower level of education.

DATA BASIS

This chapter specifically examines two questions from the survey, one covering reform trends and one covering reform process and reform content. The first question: “*How important are the following reform trends in your policy area?*” included fifteen items measuring the perceived importance of different reform elements: public sector downsizing, citizen participation, agencification and corporatization, contracting out, performance management, customer orientation, collaboration and cooperation, cutting red tape, flexible employment, privatization, digital government, external partnership, mergers, and transparency.

The second question: “*Please indicate your views on public sector reform using the scales below. Public sector reforms in my policy area tend to be...*” included seven items, describing:

- (a) Perceptions of the *reform process*: whether they were seen as top-down or bottom-up, driven by politicians or by public officials and administration, crisis/incident-driven or planned, contested or supported by the unions, and whether there was high or low public involvement.
- (b) The *overall content* of the reforms: whether they were seen as consistent or inconsistent, substantial or symbolic, comprehensive or partial, designed to cut costs/save money or improve services, and whether there was too much reform or too little.

DESCRIPTIVE ANALYSIS

Reform Process: Planned and Characterized by Public Involvement and Union Support

Figure 6.1 reveals first, if we look at the Nordic average, that the top executives in the Nordic countries thought that public reforms in their own policy area tended to be planned, driven more by bureaucrats than by politicians, although both were seen as active, and often supported by the unions. The reform processes were normally seen as rather top-down.

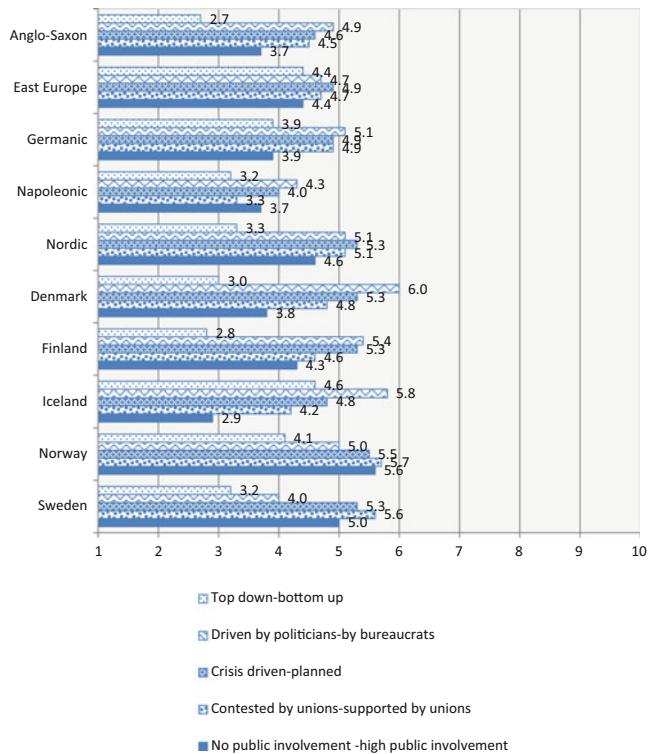


Fig. 6.1 Reform processes by countries and regions. Means.

Question: “Please indicate your views on public sector reform using the scales below. Public sector reforms in my policy area tend to be...” Scale: 1–10. All correlations between countries and reform processes are significant ($p < 0.01$) according to the Pearson Chi Square test of independence

Second, if we compare the Nordic countries with the other country families, there are some important variations. The executives in the Anglo-Saxon group reported even more top-down processes, while the executives in the Eastern European group reported fewer. The executives in the Nordic family generally observed higher public involvement, more support from the unions, and more bureaucrat-driven policies compared with the other families. Reforms in the Nordic countries were also, on average, seen as more planned.

Third, there was significant variation between the Nordic countries on certain dimensions. Norwegian executives observed more public involvement and more support from the unions and thought that the reforms were less politician-driven than some of the other executives did as well as being more bottom-up than the Nordic mean. The Swedish reforms were seen to be more driven by politicians and also more supported by the unions while the Danish reforms were seen as more bureaucrat-driven with less public involvement. In Finland, the reform processes were perceived as rather top-down, more contested by the unions, and more driven by bureaucrats compared with the other Nordic countries. Iceland stands out here: whereas Icelandic executives found that there was rather little public involvement and that the reforms were more crisis-driven, less supported by the unions, and strongly driven by bureaucrats, the reform process was also perceived as more bottom up.

Reform Trends: High Activity, Combining Different Reforms

The executives were asked to report how important different reform trends were in their own policy area. In total, fourteen different trends were listed. Table 6.1 ranks these according to how the executives assessed their overall importance. According to the executives, the most important reform trends in the Nordic central government were transparency and open government, followed by digital or e-government, and collaboration and cooperation among public sector organizations. All of these can be said to be typical post-NPM reform trends, and the executives from the Nordic countries seem to place particular emphasis on these trends. At the same time, we must remember that transparency and open government have a long tradition in the Nordic countries.

The results generally support the findings of other studies, namely, that post-NPM reform trends are becoming increasingly relevant in Europe (Wegrich and Stimac 2014; Læg Reid et al. 2015; Greve and Ejersbo 2016). This does not necessarily mean that NPM features are fading away, however. Performance management and a focus on outcomes and results was also regarded as a very important reform trend in the Nordic countries. Treatment of service users as customers, also typical of NPM, likewise had a high score, but so did “reducing red tape,” an “old” reform trend more linked to traditional public administration reforms.

Six reform trends (transparency, e-government, collaboration and cooperation, focusing on outcomes and results, cutting red tape, and

Table 6.1 Reform trends by countries and regions in means

	<i>Anglo-Saxon</i>	<i>East Europe</i>	<i>Germanic</i>	<i>Napoleonic</i>	<i>Nordic</i>	<i>Denmark</i>	<i>Finland</i>	<i>Iceland</i>	<i>Norway</i>	<i>Sweden</i>
Transparency	5.3	5.4	5.0	4.6	5.9	5.4	6.2	5.8	5.6	5.9
Digital- or E-Government	5.2	5.1	5.1	5.2	5.7	5.8	6.1	5.4	5.6	5.2
Collaboration and cooperation	5.2	5.3	5.4	4.9	5.6	5.3	6.2	4.9	5.2	5.6
Focusing on outcomes and results	5.6	5.3	5.3	4.6	5.6	6.0	5.9	5.1	4.9	5.5
Cutting red tape	4.9	4.7	5.0	4.6	5.4	4.6	5.6	5.2	4.9	5.6
Treatment of service users as customers	4.9	5.1	4.9	4.5	5.1	4.7	5.7	4.9	4.4	4.9
External partnerships	4.7	4.3	4.6	4.0	4.8	4.6	5.4	4.4	4.2	4.6
Flexible employment	4.4	4.1	4.6	3.7	4.7	3.4	5.3	5.1	4.6	4.3
Downsizing	5.8	4.6	4.8	5.1	4.3	5.0	4.0	5.5	3.1	4.7
Citizens' participation	3.8	3.6	3.9	3.6	4.1	3.7	4.3	3.8	3.8	4.2
Merger	4.2	3.9	3.8	4.3	3.9	4.0	4.1	4.3	3.8	3.6
Contracting out	4.3	3.5	3.8	3.5	3.6	3.3	3.8	3.4	3.3	3.7
Agencification	3.2	2.7	3.5	3.2	2.7	2.7	2.3	3.4	3.5	2.4
Privatization	2.9	2.2	2.6	2.6	2.6	2.5	2.6	2.7	2.5	2.7

Question: "How important are the following reform trends in your policy area?" Scale: 1 (Not at all)–7 (to a large extent). All correlations are significant ($p < 0.01$) according to the Pearson Chi Square test of independence

treatment of service users as customers) had an average score above 5 on a scale from 1 to 7 in the Nordic countries. Only two of the reform trends—creating autonomous agencies or corporations and privatization—scored below 3. What we see, therefore, is a hybrid pattern combining old public administration, NPM, and post-NPM reform trends. The results show that agencification and privatization are not important contemporary reform trends in the Nordic countries. They also show that NPM reforms such as performance management have been supplemented by a new agenda of collaboration, digitalization, and transparency. Timing seems to be a relevant factor here. The Nordic countries already had a well-developed system of semi-autonomous agencies before NPM came along. This can explain why agencification was not regarded as an important reform trend. Agencies have been around for a long time in the Nordic countries. Transparency has a long tradition in the administrative apparatuses of the Nordic countries as well. In contrast, privatization is a reform trend that is less compatible with the Nordic tradition of a large and active welfare state.

A factor analysis (not reported here) among the Nordic countries revealed that the reform trends can be grouped into different clusters. The first cluster covered NPM and post-NPM features such as citizen's participation methods, performance management, customer orientation, collaboration, digital government, external partnerships, and transparency, illustrating that such features were seen as complementary or supplementary rather than alternative means and measures. The second dimension included downsizing, contracting out, privatization, and mergers, indicating the competition and marketizing features of NPM, but also cost-cutting and public sector rationalization measures.

Overall, there was a significant difference between the Nordic countries and the rest of Europe regarding the importance of different reform trends. The most striking difference was that transparency and open government were much more prominent in the Nordic countries than in the rest of Europe. 72 % of the Nordic executives gave this trend a score of 6 or 7 in contrast to 51 % in the rest of Europe. Another very significant difference was that downsizing was much more common in the rest of Europe. While 48 % of the top bureaucrats outside the Nordic countries reported that this was an important reform trend, 31 % of their Nordic colleagues agreed. Also digitalization, collaboration among public sector organizations, flexible employment, and reducing red tape were seen as more important in the Nordic

countries. Except for downsizing, mergers, contracting out, agencification, and extending state provision into new areas, all reform trends were reported as more important in the Nordic group compared with the other families. Downsizing stood out as significantly less common in the Nordic countries. Privatization was not seen as an important reform trend in any of the European countries.

There were also some important differences between the Nordic countries. The executives in Norway reported a low score on downsizing, focusing on outcomes and results, and customer orientation, but a high score on agencification. The Swedish executives reported lower scores than the other Nordic countries on digitalization. Denmark scored low on reducing red tape, flexible employment, and transparency. Finland scored high on customer orientation, cooperation among public organizations, flexible employment, external partnerships, digitization and transparency, but low on agencification. Iceland scored high on downsizing, agencification, and mergers but low on cooperation and collaboration. While 66 % of Icelandic executives reported that downsizing was a major reform trend in their own policy area, only 9 % of their Norwegian colleagues had the same view. The Icelandic executives also scored high on mergers but low on collaboration and cooperation. There was little variation among the Nordic countries regarding privatization.

*Reform Content: Trade-Offs But More Substantive and Consistent
Reform Addressing Service Improvement Rather than
Cost-Cutting*

Taken together the views of the executives from the Nordic countries were close to the overall COCOPS average. Most of the executives saw the reforms as ambiguous and tending towards inconsistency, but less so in the Nordic countries (Fig. 6.2). The executives from Eastern Europe went farthest in that direction. Compared to the Nordic group the executives belonging to the other families found the reforms more partial and less comprehensive.

However, when we take a closer look we can identify some important differences. There was considerable variation between the five families of countries in terms of whether the reforms were seen as more about cost-cutting or more about service-improvement. The Napoleonic and Anglo-Saxon executives reported much more often that the reforms were about cost-cutting. The executives from the Nordic countries were overall less

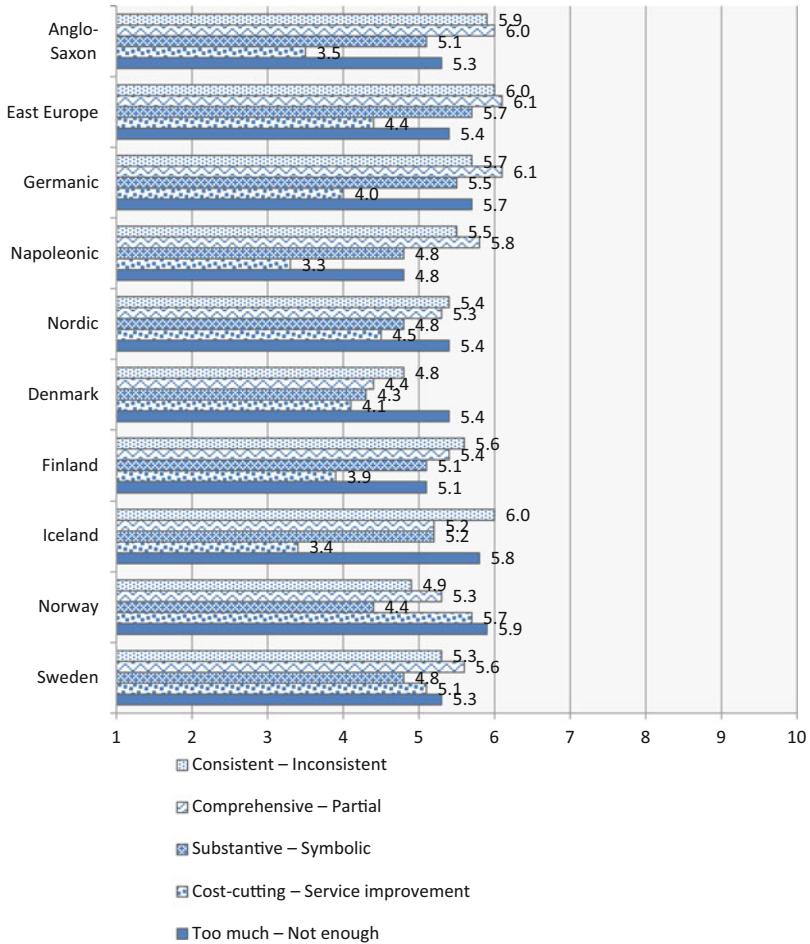


Fig. 6.2 Reform content by countries and regions. Means.

Question: “Please indicate your views on public sector reform using the scales below. Public sector reforms in my policy area tend to be...” Scale: 1–10. All correlations are significant ($p < 0.01$) according to the Pearson Chi Square test of independence

inclined to say that the reforms were about cost-cutting than the other country groups. The Eastern European executives reported more often than the rest that the reforms were symbolic rather than substantive. All executives, except those from the Napoleonic group, considered the reforms to be “not enough” rather than “too much.”

Between the Nordic countries' executives there was significant variation regarding their assessment of reform content. The Norwegian and the Swedish reforms were seen as more about service improvement than about cost-cutting. Few reported that there was too much reform. The Finnish and Icelandic reforms were deemed to be more about cost-cutting, while the Danish reforms were seen as less comprehensive.

MULTIVARIATE ANALYSIS: COUNTRY MATTERS MORE THAN STRUCTURE, WEAK EFFECTS OF DEMOGRAPHY

We now move on to the multivariate analysis. We concentrate on the Nordic countries and examine whether (a) the reform processes, (b) the reform trends, and (c) the content of the reforms varies by country and according to structural and demographic features. The results of the linear regression analyses are reported in Table 6.2 below. Overall the R^2 is rather small but the analysis still shows that there are some interesting variations in the importance of different explanatory factors.

Reform Processes

Country: Regarding the reform processes, we see that country differences had a significant effect. When Sweden was used as a reference category, there were significant effects for Iceland on all process indicators. Compared to Sweden, the Icelandic reform processes were more crisis-driven, bottom-up, and driven by bureaucrats, but also more contested by the unions and exhibiting little public involvement. Regarding crisis-driven processes, Iceland is an exceptional case. The Finnish processes were seen as more top-down, but also driven by bureaucrats, contested by the unions and exhibiting little public involvement. Denmark showed the same pattern as Finland except that there was no effect on top-down versus bottom-up processes. Norway also had a more bottom-up and bureaucrat-driven reform process.

Overall, it is difficult to see a convergent Nordic model of reform processes. There seems to be a difference between the Swedish model and the other Scandinavian countries, and the effect is especially strong regarding political or bureaucrat-driven processes.

Structure and demography: There were some effects of structural features, and especially of organizational level and position. Senior executives in ministries reported that the reforms were bottom-up and characterized by high public involvement to a greater extent than lower-level managers in

Table 6.2 Reform processes, trends and content. Linear regressions standardized Beta coefficients

Reform processes	<i>Top-down/bottom-up</i>	<i>Political or bureaucrat driven</i>	<i>Crisis driven/planned unions</i>	<i>Contested or not by unions</i>	<i>Low or high public involvement</i>
Norway	0.11**	0.16**			0.07*
Denmark		0.22**		-0.09**	-0.17**
Finland	-0.13**	0.23**		-0.24**	-0.16**
Iceland	0.17**	0.21**	-0.10**	-0.19**	-0.33**
Ministry/agency	-0.07**	0.08**			-0.16**
Position	-0.08**				-0.10**
Size				0.06*	
Welfare tasks	-0.09**				
Economic tasks			-0.05*		
Age					
R^2	0.10	0.09		0.05*	0.15
Adjusted R^2	0.09	0.08		0.08	0.14
F	14.059	12.052	1.695	12.763	22.723
Sign.	0.000	0.000	0.000	0.000	0.000
Reform trends	<i>Downsizing</i>	<i>Performance management</i>	<i>Transparency</i>	<i>Digital government</i>	<i>Cooperation and collaboration</i>
Norway	-0.27**	0.12**		0.17**	-0.07*
Denmark	0.08**	0.14**		0.20**	
Finland	-0.11**	0.21**		0.40**	0.26**
Iceland	0.23**			0.12**	-0.08**
Position				-0.06*	
Size	0.12**	0.11**		0.10**	0.08*
Age			0.08**	0.08**	
Gender			0.13**	0.09**	0.12**

Level of education										
R ²	0.16	0.13		0.08						0.05*
Adjusted R ²	0.15	0.12		0.07						14
F	23.602	18.225		11.075						13
Sign.	0.000	0.000		0.000						19.981
										0.000
Reform content	Consistent/Inconsistent	Comprehensive/Partial	Substantive/Symbolic	Cost-cutting/Service improvement	Too much/Not enough					
Norway	-0.07*			-0.09**				0.13**		0.09**
Denmark	-0.06*			-0.09**				-0.11**		
Finland		-0.16**						-0.21**		-0.07*
Iceland	0.06*							-0.20**		
Ministry/agency	0.07*		0.06*							
Position	-0.15**							-0.10**		-0.11**
Size	-0.08**							0.06*		
Welfare tasks	0.12**									-0.08**
R ²	0.05	0.03	0.04	0.04				0.12		0.04
Adjusted R ²	0.05	0.02	0.03	0.03				0.11		0.03
F	7.037	4.07	4.927	4.927				17.099		4.682
Sign.	0.000	0.000	0.000	0.000				0.000		0.000

Only significant beta coefficients are reported in the table. *: Significant on 0.05 level; **: Significant on 0.01 level

the agencies did. The ministerial executives also reported that the reforms were more politician-driven than the executives in the agencies did. Size and policy area/task had only weak effects as did demographic features. Overall, the strongest effects related to the country variable.

Reform Trends

We examined the five most important reform trends in the Nordic countries. This included both NPM reforms such as performance management and post-NPM trends such as cooperation and digitization, but also more traditional Nordic reforms such as transparency and openness and downsizing (which can be seen as a typical NPM feature, but also a more traditional reform measure during a financial crisis).

Country: The regression analysis revealed significant country differences. The exception was transparency for which there is clearly a Nordic model. Overall, it was the strongest or most important reform trend in the Nordic countries. On this measure there were small differences between the Nordic countries, but a large difference between the Nordic bloc and the rest of Europe. Regarding downsizing there were significant differences between the Nordic countries. In particular, Norway scored low while Iceland scored high. This indicates clear support for the situational hypothesis and illustrates the effect of the financial crisis. There were also effects for Denmark and Finland, with Denmark being closer to Iceland and Finland being closer to Norway. Regarding digital government, all four Nordic countries scored significantly higher than Sweden. There were also significant effects of country concerning performance management. Finland, Denmark, and Norway had higher scores than Sweden. Along these two reform trends, therefore, there seems to be a distinctive Swedish model that sets Sweden apart from the other Nordic countries. The picture was a little more mixed with regard to the importance of cooperation and collaboration among different public sector organizations. Here Finland scored high, Norway and Iceland scored low, and there were no effects for Denmark.

Structure: There were some effects of structural features, apart from organizational type and policy area. Size seems to have had a significant effect. Executives from larger organizations generally saw downsizing, performance management, digitization, and cooperation as more important than executives from smaller organizations. There was also a weak effect of position on digitization.

Demography: Demographic features were more important for differences in reform trends than for differences in processes. There were demographic effects on all items except downsizing. Gender seems to have made a difference. Female executives rated performance management, transparency, digital government, and cooperation as more important than male executives did. Older executives saw transparency and digital government as more important than younger ones did. This was also the case for executives with a low level of education.

Reform Content

Country: The analysis revealed significant country effects on the cost-cutting/service improvement dimension. Iceland, Finland, and Denmark scored significantly higher than Sweden on cost-cutting whereas Norway scored lower. The Norwegian reforms were also seen as more consistent and substantive but as more reluctant than the Swedish ones. The Danish reforms were likewise seen as more consistent, comprehensive, and substantive than the Swedish ones.

Structure and demography: Structural features mattered as well. Executives in ministries saw the reforms as more substantive, consistent, and comprehensive than executives in central agencies did. Overall, the latter saw the reforms as less consistent, not going far enough, and as being about service improvement rather than cost-cutting compared with lower level executives. Executives in big organizations saw the reforms as more consistent and substantive, and more about cost-cutting compared with those working in smaller organizations. Policy area also mattered to some extent. In the policy area of welfare the executives saw the reforms as more consistent and comprehensive, but also as going a little too far, compared with executives in other policy areas. There were no effects of demographic features on reform content.

DISCUSSION: A HIGH LEVEL OF REFORM ACTIVITY BUT A COMPLEX AND MIXED PATTERN

Overall, the senior executives in the Nordic civil service were inclined to agree on middle positions regarding reform processes. This was true when they were asked to indicate whether the processes were crisis-driven or planned, contested by the unions or not, and characterized by large public involvement or not. Also, the reforms tended to be rated as more

top-down than bottom-up and driven more by bureaucrats than by politicians. We take it that this indicates that the reforms were more pragmatic and less ideological and that there was no strong overall reform pressure, either from the lower-level public employees or from the politicians.

A main finding and a common trend in the Nordic countries is that NPM reforms (privatization, agencification, and contracting out) were less important than post-NPM reforms (digital government, transparency, citizen participation, and collaboration). The most characteristic common reform trend was transparency while privatization was least important. The variation among the Nordic countries was limited, and overall most reform trends scored higher among Nordic top executives than among their colleagues in the rest of Europe.

Nevertheless, some NPM reforms (notably performance management and treatment of users as customers) were very much present in the Nordic countries. The management elements of the NPM movement were overall much more common in the Nordic countries than marketization elements. More traditional reforms (cutting red tape) were also considered important. Thus, rather than finding evidence of a single purified reform model we see elements of a repertoire of several models (Pollitt and Bouckaert 2011). This reflects the fact that public administration is a mixed order of partly overlapping, partly supplementing, and partly competing organizational forms with a compound nature (Olsen 2010). It also reflects that managerialism has not lost its standing in the post-NPM era, although it might have shifted towards a new generation of post-NPM managerialism exemplified by “networked governance” and may also more pragmatically be seen as one set of tools in a larger tool bag (Painter 2011).

The main picture regarding reform content (consistent/inconsistent, comprehensive/partial, substantive/symbolic, cost-cutting/service improvement, too much/not enough) is that the respondents were rather neutral. However, the executives mostly considered the reforms to be more about service improvement than about cost-cutting and also saw them as rather inconsistent.

If we go back to our research questions we can conclude, first, that there were significant differences between the Nordic countries and other groups of European countries regarding reform processes, reform trends, and reform contents. This indicates that there is indeed a Nordic model. For example, there were significant variations in reform processes between the Nordic countries and the Napoleonic group. The Nordic reform processes were more planned, more driven by bureaucrats, and less

contested by the unions and there was more public involvement than in the Mediterranean countries. In their assessment of reform processes, the responses from the Nordic countries and other groups of European countries pointed in different directions. The executives from the Nordic countries generally scored higher on public involvement and support from the unions in reform processes. The Germanic executives seemed overall to be closest to their Nordic counterparts in their attitudes to reform processes.

There were also significant differences concerning the assessment of reform trends. Overall, there was more reform activity in the Nordic countries than in the Napoleonic countries. This was especially the case for transparency, digitalization, cooperation and collaboration, performance management, reducing red-tape, customer orientation, external partnership, and citizens' participation. The only reform trend that was significantly stronger in the Napoleonic countries was downsizing and to some extent mergers.

There were also significant variations regarding reform content. The executives in the other groups of countries generally saw the reforms as less consistent and more partial compared with the Nordic executives. If we compare the Nordic executives with the Napoleonic, both groups saw the reforms as substantive rather than symbolic, but the Nordic countries' reforms were regarded as both comprehensive and more about service improvement, while the Napoleonic were perceived to be more about cost-cutting, more partial, and as going too far ("too much"). Thus, we can observe a significant North-South divide in Europe. This can be taken to reflect a characteristic Nordic decision-making style exemplified by pragmatism, collaboration, and participation.

In contrast to a previous picture of the Nordic countries as reluctant reformers (Olsen 1996), they now seem to be rather active and eager. They score higher than the rest of Europe on a number of reform trends. This was especially the case for transparency and post-NPM reforms such as digital government and collaboration among public sector organizations. The Nordic countries also scored high on typical NPM reforms such as performance management, although not as high as the Anglo-Saxon countries, and on traditional reform measures such as reducing red tape. The only major reform trend that was less common in the Nordic countries than in the rest of Europe was downsizing.

Regarding content, the reforms in the Nordic countries differed from the Anglo-Saxon countries by being more consistent and substantive and more about service improvement. The Eastern European reforms were

seen as less consistent and symbolic and not comprehensive enough. Germanic reforms were seen as more symbolic and less comprehensive than in the Nordic countries.

That said, there was also significant variation among the Nordic countries. Norwegian reforms, for example, were seen as more bottom-up, characterized by high public involvement, and as more bureaucrat-driven. Here, downsizing and also to some extent result and user orientation was seen as less important. The reforms in Norway were seen as more consistent and substantive, focusing on service improvement, but also assessed as not going far enough. In contrast, the Icelandic reforms were seen as more crisis-driven and more contested by the unions; they scored low on public involvement and consistency and involved more downsizing and cost-cutting. Collaboration was a less important reform trend, and downsizing and mergers were more important. Sweden was less bureaucrat-driven and had less focus on digital government. Finland scored especially high on the importance of transparency, digitalization, and collaboration, while Denmark scored high on result orientation but low on reducing red tape and on flexible employment. A general conclusion is that context and administrative traditions matter, although reforms have also followed different trajectories that do not always accord with existing institutional legacies and traditions.

Following our theoretical starting points, the country perspective, focusing on administrative traditions and situational factors, is strongly supported. This seems to be due to different reform traditions and to situational factors (Kristiansen 2011). The reform situation can therefore *not* be seen as representing pure convergence. Even if the countries are moving towards more management-oriented reforms, they have different starting points. The scope and intensity of the reforms differed significantly. Added to this, there was still evidence of a lot of divergence, both between the Nordic family of countries and the rest of Europe and within the Nordic group of countries. We can therefore conclude that *the divergence hypothesis I* (a Nordic model), *the divergence hypothesis II* (a dualist-monist model), and *the situational hypothesis* (the financial crisis) all get some support. There were also significant variations between countries regarding reform processes, reform trends, and reform contents. This indicates some support for the *translation hypothesis* (that means and measures are translated into existing country contexts).

Our analysis shows that in the Nordic countries the management components of NPM were present to a greater extent than the market components. We could also see a strong adherence to post-NPM reforms.

They supplemented rather than replaced NPM reforms and more traditional reforms and measures, however. The “management bureaucracy” (Hall 2012) that characterized Nordic administrative reforms seems to have been supplemented by post-NPM reforms. This confirms earlier findings and speaks of the importance of historical legacy and contextual factors as well as a trend towards more complex and hybrid reform patterns combining different reform trends (Christensen and Lægread 2011c). Regarding reform processes as well as the main trends and content of administrative reform we see a third way between continuity and adaptation scoring higher than many other European families on bottom-up processes and more public involvement, the importance of digitalization, openness, and managerial reforms, and service improvement rather than cost-cutting.

Regarding the structural perspective, the effects were weaker. Size mattered the most, especially for reform trends, but there were also effects of organizational type and position on reform processes and content of reform. Task structure was less important, although there were some significant effects of the welfare state area, especially on reform content. The explanatory power of the demographic perspective was rather low, even though there were some effects of gender, age, and level of education on the importance of reform trends.

CONCLUSION: DIVERGENCE RATHER THAN CONVERGENCE

Taken together, these factors illustrate the complexity characterizing administrative reforms in the Nordic countries. Post-NPM reforms were considered important, but several important NPM tools were also still high on the agenda. Traditional reform means were also rather important. Overall, the landscape of reforms was layered and one-factor explanations therefore do not hold water. Country differences were the most important. Structural features had only some explanatory power, and demographic factors had weak effects.

Strictly speaking, one cannot pinpoint developments over time with cross-sectional data. By comparing our findings with previous research, however, we can conclude that there is neither a clear trend towards convergence nor a clear trend towards divergence between the European countries and groups of countries. The reform trends tend to be supplementary rather than alternative. Some NPM features are more important than others. It seems, for example, that managerial trends are more important than marketization and privatization. We did find significant variation between the Nordic countries and other groups of countries in Europe, however, especially vis-à-vis the

Napoleonic countries. At the same time, the executives from the Nordic countries responded more similarly to the executives from other families such as those from the Germanic countries. There were also notable differences between the executives in the Nordic countries, for example between Norway and Iceland. While service improvement was seen as characteristic for Norwegian reforms, the Icelandic reforms were seen as being more about cost-cutting. Such differences are presumably mainly due to situational factors such as the financial crisis. This might also help us to understand the large differences between the Nordic countries and the Napoleonic countries. Finland turned out to be the most reform-friendly Nordic country and scored high on many reform trends. Swedish reforms were more driven by politicians than those in the other Nordic countries.

A few limitations regarding this analysis should be mentioned (see also Chap. 2). First, the reforms are seen from the top of the central government apparatus. We do not know what the picture from the “street-level bureaucrat” perspective would be or how officials working in local and regional government would regard them. Second, the survey tapped perceptions and not objective measures of reform trends and content. There is also the problem of conceptual equivalence across countries. Third, in some countries (in particular Denmark) the response rate was rather low. Fourth, our data can only reveal a cross-sectional snapshot of the situation in 2012–2014 and hence tell us less about different starting points and changes over time. Fifth, all of our variables are from the same survey, indicating that common source bias might be a concern (Meier and O’Toole 2013). Using the same survey respondents to measure information on both the independent and the dependent variables (also labeled as the common method bias) might produce a positive correlation between the two sets of variables (Jakobsen and Jensen 2015). This problem is, however, reduced here by using structural, country, and demographic features as independent variables.

In spite of these limitations, we argue that the data employed in this paper provide a rich empirical backdrop against which to assess our theoretical arguments. For the first time we have been able to measure variations in senior executives’ assessment of dominant reform trends across the five Nordic countries and compare them with the rest of Europe in a systematic way. Despite the limitations, this gives crucial new insights for considering the dynamics of public sector reforms in Europe.

Relevance of Management Instruments

Niels Ejersbo and Carsten Greve

INTRODUCTION

Public organizations use a large variety of management instruments. While some of them have a major impact, others are used only sporadically, creating a mix. Management instruments or tools have become an important element in pursuing public purpose (Salamon 2002, p. 9). The “Tools of Government” approach argues that instruments are an important and independent part of public sector reform, and should be analyzed as such (Salamon 2002, p. 9). New Public Management (NPM), which has dominated the public sector reform agenda in past decades, recommended tools and instruments to improve performance. NPM has more recently been challenged by other concepts such as New Public Governance, Digital-era Governance, and the Neo-Weberian State

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(Dunleavy et al. 2006a, b; Osborne 2010; Pollitt and Bouckaert 2011), which recommend specific management instruments of their own. While some of these are new, others resemble those espoused by NPM. Pollitt and Bouckaert (2011, p. 24) suggest that management instruments are not only associated with one of these general reform concepts—NPM or post-NPM—but can be part of the tool box of several concepts. This highlights a need to study the independent role of management instruments rather than simply regarding them as part of more general concepts like NPM.

Following Pollitt and Bouckaert (2011, p. 25), this chapter examines “what menus of tools and techniques have been selected” by the Nordic countries. We ask two research questions: Do the Nordic countries constitute a specific model regarding use of management instruments? Is there variation between them in this respect, and how can these differences be explained? To answer the first research question, our first step is to compare the Nordic countries as a group with the other European countries included in the COCOPS survey. The second step is to look for variation between the Nordic countries. If the Nordic countries as a whole are different from the other European countries and there is minimal variation between them, this strongly suggests a Nordic model for use of management instruments. To answer the second research question, we identify variations between the Nordic countries and look for factors that can explain this variation.

The management instruments we examine include performance appraisals, strategic planning, performance management, codes of conduct, risk management, quality management, user surveys, decentralization of staffing and financial matters, one-stop shops, benchmarking, contract steering, and pay for performance.

The chapter is structured as follows. First, we briefly discuss how management instruments have been covered in the literature and briefly characterize each of them. Second, we look at factors that influence the use of instruments (size, policy area, position within organization, country characteristics). In the third section we describe the data and the analytical model. We then go on to analyze the use of management instruments among the Nordic countries as a group and try to identify a possible Nordic model that differs from the rest of Europe. This is followed by an analysis of the variation in use of management instruments between the Nordic countries.

MANAGEMENT INSTRUMENTS

Public organizations use different tools and management instruments to fulfil their mission, to perform better, or as a means to achieve administrative reform. There is a broad literature on policy instruments (Vedung 1997; Bemelmans-Videc et al. 1998; Salamon 2002; Howlett 2010). A well-known distinction is between “carrots, sticks, and sermons” (Bemelmans-Videc et al. 1998). However, most of the tools discussed in the policy instrument literature have an external focus and seek to influence actors outside the organization, whether companies or the public at large. In this chapter we look at tools or instruments used mainly inside public organizations, which are designed to influence the actions of individuals or groups within the organization. Internal tools can be defined as “the procedures that governments use to handle their own internal operations. Included here are basic procedures for personnel recruitment, human resource management, budgeting, and procurement for the supplies that government needs to operate” (Salamon 2002, p. 20). The tools are typically in the hands of managers and are designed to improve the performance of the organization. In part of the literature tools are referred to as management systems or management capacity (Verhoest et al. 2010, p. 212). The tools and how they are used can be an important link between reform and improved performance and may be a critical precondition for performance (Hou et al. 2003, p. 296). In other words, in order to better understand what improves performance, it is useful to take a closer look at which tools are used by central government in the Nordic countries. Managerial tools can be defined as follows:

“Within a given structural setting, managers may employ a number of different administrative mechanisms to design, implement, and evaluate policies and programs. The use of performance incentives, coordination and networking techniques, and contracting mechanisms are examples of managerial tools represented in this category”. (Hill and Lynn 2005 cited in Forbes and Lynn 2005, p. 569)

In the past couple of decades, New Public Management (NPM) has dominated the discussion of public management and has had a tremendous influence on ideas about how it should be carried out. Hood (1991) listed seven characteristics of NPM, but the most relevant one in this context is

the use of management practices derived from the private sector. This has largely determined which tools public managers have introduced in order to improve organizational performance. They include contracting, strategic planning, performance management, decentralization of decisions, and benchmarking. Some of the tools and techniques introduced by NPM have been criticized as outdated (Osborne 2010, p. 4).

In recent years, new concepts have been introduced in order to capture new developments in the public sector that deviate from the NPM agenda. These include post-New Public Management (Christensen and Lægread 2011b), Digital-era Governance (Dunleavy et al. 2006a, b), and Joined-up Government (Pollitt 2003a, b). They emphasize different or new performance-enhancement tools for the public sector. A concept like New Public Governance emphasizes management instruments such as transparency and user involvement (Osborne 2010). Pollitt and Bouckaert (2011, p. 24) argue that managerial tools may not only be associated with one of the overall models, but can be connected with others as well. They describe the general models as “menus” and the tools as the “dishes” that make up a menu. Some dishes are included in more than one menu. They mention performance measurement as a tool that can be tied to both New Public Management and to the concept of the Neo-Weberian State. Thus, the general models may not be suitable for organizing the different management tools, because they are simply too general and too crude to distinguish between the different groups of tools used by public sector managers.

Other studies of such tools differentiate between (1) financial management, (2) performance management, (3) human resource management, and (4) quality management (Verhoest et al. 2010, p. 221). This type of categorization is more specific and captures managerial activities and actions more precisely. It thus focuses more closely on the tools as such and makes it possible to analyze the importance of specific instruments.

In the following we distinguish between three groups of management tools: (1) tools related to quality, (2) tools related to steering, and (3) tools related to economy. Each group covers a number of specific management instruments that have all been part of the public management agenda in the Nordic countries. In the first group we include tools such as customer surveys, service points, quality management, and codes of conduct. Customer surveys can supply information about how customers and clients evaluate the service provided by the public organization and about how the quality of the service might be enhanced. Service points

bring a number of common public services under one roof so that citizens only have to go to one place to acquire permission or get problems solved. Quality management is an example of an NPM management instrument borrowed from the private sector. The premise is that the quality of a product or service is the most important aspect (Khademian 2000, p. 39). Codes of conduct are designed to regulate the behavior of employees and hence address quality issues directly or indirectly. Managers can use benchmarking to compare the performance and quality of the organization compared with other organizations. The instruments in this group all address quality directly or indirectly. The second group includes the following tools: (1) strategic planning—the management defines the organization’s strategy and uses this to allocate resources and make decisions across organizational levels (Rainey 2009, p. 189). (2) Steering by contract and management by objectives—both instruments used to control and manage entities at some distance. (3) Risk management. This instrument defines and evaluates internal and external risks for organizations and initiates the proper actions to handle them. (4) Performance appraisal talks. These are common in many public organizations and can be understood as a way to create a common understanding between employee and manager of the employee’s goals. The last group includes tools such as cost-accounting systems and decentralization of financial and staffing decisions. These are designed to handle financial issues and decisions with economic consequences.

EXPLAINING NATIONAL DIFFERENCES IN THE USE OF MANAGEMENT INSTRUMENTS

The Nordic countries are often portrayed as a coherent group of countries that are similar in many ways. They all have a large public sector responsible for providing welfare services. The question is whether the Nordic countries stand out from other groups of European countries in this respect. The European countries participating in the COCOPs survey are often divided into the Anglo-Saxon group (the UK and Ireland), the Germanic group (Germany, Austria, and the Netherlands), the Eastern European group (Croatia, Estonia, Hungary, and Lithuania), and the Napoleonic group (France, Italy, Spain, and Portugal)—see Chap. 4 for a discussion of the different groups. The Nordic countries are known to be responsive to international trends and they have adopted tools and instruments from NPM and other public sector reform trends. They are

often ranked top by the OECD and the World Bank when it comes to managerial capacity and implementing modern solutions, for example digital solutions, in the public sector (World Bank 2007; OECD 2010a). Their performance in this respect contrasts especially markedly with that of the countries in the Napoleonic group. Thus, we would expect the Nordic countries as a group to use more management instruments than all the other groups, especially the Napoleonic group. To find out whether there is a specific Nordic model, we compare the Nordic countries with the other groups of European countries. Our analysis is mainly exploratory.

The group of Nordic countries may stand out from the other groups of European countries, but in order to establish whether there is a Nordic model or not, we also need to look for variation within the group. On the one hand, their common background and welfare state characteristics would suggest a similar use of the various management instruments. On the other hand, as discussed at some length in Chaps. 4 and 6, a distinction has been drawn between East and West Nordic countries, whereby the West Nordic countries—Denmark, Norway, and Iceland—have ministerial rule, giving each ministry a strong position. The East Nordic countries—Sweden and Finland, on the other hand, have less powerful ministries. This suggests that we should expect differences between Denmark, Norway, and Iceland on the one hand and Sweden and Finland on the other.

The presence and use of management instruments in public organizations can be ascribed to several factors. From an instrumental perspective management instruments can be implemented to handle low performance or specific problems. Agencies experiencing problems with the working environment and employee cooperation may introduce a code of conduct in order to specify norms of employee interaction. If politicians experience a lack of control and influence they may also demand the use of specific tools or instruments. Ministries may also try to reduce the independence of agencies. The introduction of management instruments can also be seen as an example of regulation inside government (Lægveid et al. 2010, p. 390). It has been argued that one part of government generally controls other parts of government (Hood et al. 1999) and uses management instruments to do so. Organizations and agencies may also adopt management instruments voluntarily in order to enhance their legitimacy (Meyer and Rowan 1991) or to gain support from higher-level authorities such as ministries. In past decades NPM reforms have decentralized authority

and given more power to agencies, thus changing their position vis-à-vis the ministries (Lægreid and Verhoest 2010). Agencies are more oriented towards production and will be more likely to use a broader array of management instruments than ministries. Ministries, on the other hand, are closer to the legislature and are more concerned with giving advice to the minister than implementing new management tools. Hence, we would expect agencies to use more management instruments than ministries. In a study of management tools in Norwegian state agencies Lægreid et al. (2010) develop a number of hypotheses concerning the use of management instruments. Among others they point to the importance of size and show that larger agencies use more management tools than smaller agencies. Based on their findings, we would expect use of instruments to positively correlate with size. Larger organizations are also typically more complex and require more steering. Hence, we would expect management tools related to steering and economy to be used more in larger organizations. These tools include management by objectives, strategic planning, and decentralization of decisions.

The organizations surveyed here cover different policy areas. We make a distinction between organizations covering *traditional policy* areas, such as foreign affairs, defense, and justice; *economic policy* areas, such as infrastructure and transportation and economic affairs; and *welfare policy* areas, such as employment services, health, education, and culture. Welfare policy often gets more political attention and politicians will be more concerned about control as well as performance. Thus, we can expect organizations dealing with welfare policy to use more tools than organizations working in other policy areas.

DATA AND METHODS

In this chapter we use data from the COCOPS survey in which top senior executives in European ministries and central agencies were asked about their perceptions and experiences of reform trends. This provides a unique opportunity to take a closer look at the use of management instruments among ministries and agencies in the Nordic countries and to see whether there is a specific Nordic model. As described earlier, we first look at the Nordic countries as a group compared with other groups of European countries. If the group of Nordic countries stands out, this is an indication of a Nordic model. Second, we look for variations between the

Nordic countries. Finally, we analyze the differences between the Nordic countries and present a number of explanations for this.

The top executives participating in the survey were asked to indicate on a seven-point scale to what extent fourteen different management instruments were used in their organization. Based on a factor analysis of the answers from the Nordic countries, these instruments were grouped into three different clusters (see Table 7.1). The groups all had acceptable Cronebach's alpha scores. The clusters of policy instruments used here exhibit both similarities to and differences from groups defined by other studies. This is to be expected, since there is no well-established categorization of management instruments.

Table 7.1 Index of instruments, Nordic countries. Factor analysis

	<i>Mean</i>	<i>SD</i>	<i>Factor score</i>	<i>Cronebach's alpha</i>
Instruments related to quality				0.71
Customer/user surveys	4.8	1.7	0.5	
Service points	3.7	1.9	0.7	
Quality management	4.6	1.7	0.6	
Codes of conduct	5.0	1.6	0.7	
Benchmarking	4.2	1.7	0.5	
Instruments related to steering				0.67
Strategic planning	5.8	1.3	0.6	
Steering by contract	4.7	2.1	0.6	
Management by objectives	5.9	1.4	0.7	
Performance appraisal talks	6.3	1.2	0.7	
Risk management	5.1	1.6	0.5	
Instruments related to economy				0.72
Cost accounting systems	5.1	1.8	0.5	
Decentralization of financial decisions	4.6	1.7	0.8	
Decentralization of staffing decisions	4.5	1.7	0.8	
Performance related pay	4.1	2.2	0.7	

Question: "To what extent are the following instruments used in your organization?"

Scale: 1 (not at all)—7 (to a large extent)

Our analysis of the differences between the Nordic countries uses a linear regression analysis. We analyze the three groups of management instruments individually. As independent variables we use size of organization, type of organization (ministry or agency), policy area (traditional (ref), economic, and welfare), and country (Sweden ref.).

USE OF MANAGEMENT INSTRUMENTS: IS THERE A NORDIC MODEL?

The fourteen management instruments surveyed are all used to some extent in ministries and agencies across the European countries. Instruments related to steering are clearly the most used among the different groups of countries while the economy-related instruments are used to a lesser extent. Looking at the individual instruments, the most used are performance appraisal talks, strategic planning, and management by objectives. Risk management is also used quite frequently in both the Nordic and the Anglo-Saxon countries. Performance appraisal talks are mandatory in many countries. The same goes for some types of management by objectives. This may explain the frequent use of these two management instruments. At the bottom of the list is performance-related pay, decentralization of staffing decisions, and decentralization of financial decisions. The rare use of different types of decentralization can be related to the advent of post-NPM in many countries.

Turning to the question of a Nordic model, the results presented in Table 7.2 give some support for the idea of a Nordic model. The Nordic countries stand out when it comes to instruments related to economy. Different forms of decentralization and performance-related pay are used much more frequently in the Nordic countries than in any of the other groups of countries. The difference is most noticeable when the Nordic countries are compared with the Napoleonic group.

The Nordic countries are similar to the Anglo-Saxon group if we compare instruments related to steering. They use strategic planning, management by objectives, performance appraisal talks, and risk management to a fairly large extent. These two groups of countries stand out from the three others in their use of steering instruments. When it comes to instruments related to quality the picture is somewhat mixed. The Nordic countries use customer surveys more than the other families of countries, but there are generally only small differences between the regions for instruments related to quality. If we look at the use of management instruments as

Table 7.2 Use of instruments, by regions in means

	<i>Nordic</i>	<i>Anglo-Saxon</i>	<i>East Europe</i>	<i>Germanic</i>	<i>Napoleonic</i>
Instruments related to quality	4.5	4.6	4.5	4.2	4.2
Customer/user surveys	4.8	4.5	4.2	4.1	3.8
Service points	3.7	4.0	4.3	3.6	4.1
Quality management	4.6	4.6	4.2	4.5	4.1
Codes of conduct	5.0	5.6	5.1	4.7	4.5
Benchmarking	4.2	4.3	4.4	4.0	4.0
Instruments related to steering	5.6	5.5	4.7	4.8	4.6
Strategic planning	5.8	6.1	5.2	5.4	4.9
Steering by contract	4.7	3.4	3.8	4.0	3.9
Management by objectives	5.9	5.6	4.9	5.3	5.2
Performance appraisal talks	6.3	6.0	5.0	5.5	5.3
Risk Management	5.1	5.6	4.2	3.9	3.6
Instruments related to economy	4.6	3.5	3.3	3.5	3.3
Cost accounting systems	5.1	4.8	4.2	4.2	3.6
Decentralization of financial decisions	4.6	3.6	3.2	3.7	3.3
Decentralization of staffing decisions	4.5	3.3	3.3	3.4	2.9
Performance related pay	4.1	2.5	2.7	3.0	3.1

a whole, the Nordic countries have most in common with the Anglo-Saxon countries. This may to some extent be ascribed to the diffusion of NPM. NPM originated in the Anglo-Saxon countries, and Nordic countries have—some more than others—adopted international management trends in public organizations. The largest difference is found in relation to the Napoleonic countries. One possible explanation for this may be the large differences in national culture (Hofstede 1980) as well as the limited adoption of NPM reforms (Ongaro 2009; Christensen and Lægread 2012). These findings are in line with our expectations. The Nordic group of countries has most in common with the Anglo-Saxon countries and is most different from the Napoleonic group. All in all, it is possible to talk about a Nordic model when it comes to the use of management instruments.

The second step in determining the existence of a Nordic model is to look for variation among the Nordic countries. We looked for variation both between individual countries and between the East and West Nordic countries.

First, if we look at the overall scores for the three groups of instruments in Table 7.3, we can see that the group “Instruments related to steering” is the most used among all the Nordic countries except Sweden. There is only limited variation across countries in relation to this group of instruments. This is also true when it comes to instruments related to quality. There are only small differences between the five countries. The biggest differences emerge with respect to instruments related to economy.

Table 7.3 Differences in use of management instruments between Nordic countries in means

	<i>Norway</i>	<i>Sweden</i>	<i>Denmark</i>	<i>Finland</i>	<i>Iceland</i>	<i>Nordic</i>
Instruments related to quality	4.5	4.6	4.1	4.4	4.6	4.5
Customer/user surveys	4.5	5.2	4.5	4.9	4.0	4.8
Service points	4.0	3.4	2.9	3.6	4.7	3.7
Quality management	4.9	4.7	4.4	4.4	4.5	4.6
Codes of conduct	5.5	5.1	4.3	4.8	5.2	5.0
Benchmarking	3.7	4.4	4.2	4.1	4.4	4.2
Instruments related to steering	5.3	5.6	5.6	5.9	4.7	5.6
Strategic planning	5.7	5.9	5.8	5.9	5.6	5.8
Steering by contract	3.6	4.1	5.3	5.8	3.9	4.7
Management by objectives	5.7	6.0	5.8	6.0	5.3	5.9
Performance appraisal talks	5.9	6.4	6.7	6.6	5.1	6.3
Risk Management	5.3	5.8	4.6	5.1	3.0	5.1
Instruments related to economy	3.9	5.8	4.5	4.1	4.0	4.6
Cost accounting systems	4.1	6.0	4.6	5.0	5.1	5.1
Decentralization of financial decisions	4.6	5.5	3.9	4.3	4.0	4.6
Decentralization of staffing decisions	4.4	5.3	4.6	4.1	4.1	4.5
Performance related pay	2.7	6.2	5.0	3.3	2.9	4.1

Norway, Iceland, and Finland use instruments within this group a lot less than Sweden but also less than Denmark. It is not possible to detect a clear East-West dimension with respect to the three groups of instruments, however. Among the individual instruments, management by objectives is used less in Iceland than in the other countries. The same is true for strategic planning, but we are talking about small differences. Second, if we focus on the individual instruments major differences become visible. Two of the largest differences are between Norway and Sweden when it comes to the use of performance-related pay and cost-accounting systems. In both cases the instruments are used much more frequently in Sweden than in Norway. A similarly large difference is found between Sweden and Iceland with respect to risk management. Steering by contract is used to a rather large extent compared with Norway and Iceland. We also see considerable variation in the use of service points between Iceland and Denmark, whereby the former uses them much more than the latter. Thus, the Nordic countries do vary in their use of management instruments, especially when it comes to specific instruments. The biggest differences are found between Sweden and Iceland. Sweden scores especially high on instruments related to economy while Iceland scores low on many instruments.

In the following we examine the differences further and analyze whether the use of management instruments can be explained by country or organizational features. Table 7.4 presents the results from our linear regression analysis.

There are some country differences when Sweden is used as a reference. This is especially the case for instruments related to economy. With regard to these instruments it may be more relevant to talk about a Swedish model than a Nordic model. We also see significant country differences in relation to the two other two groups of steering instruments. Organizational features are important for all three groups of management instruments. Larger organizations use all three types of instruments more than smaller organizations. Likewise, agencies use management instruments to a larger extent than ministries. In terms of policy areas, only “economic tasks” are significant, and obviously these are most important with respect to economic instruments. Compared with traditional tasks, welfare tasks have no impact. Overall, we can explain between 10 and 32 % of the variation in use of management instruments. Especially for instruments related to economy, country seems to be the most important factor, whereas size and type of organization are important for all three groups of policy instruments.

Table 7.4 Management instruments. Linear regression

<i>Management instrument</i>	<i>Instruments related to quality</i>	<i>Instruments related to steering</i>	<i>Instruments related to economy</i>
<i>Country^a:</i>			
Norway	0.087**		-0.459**
Denmark	-0.061*		-0.227**
Finland		0.158**	-0.550**
Iceland	0.124**	-0.177**	-0.310**
<i>Organizational features:</i>			
Size	0.218**	0.193**	0.129*
Ministry/agency	0.224**	0.119**	0.097**
<i>Policy area^b:</i>			
Welfare tasks			
Economic tasks	0.102**	0.082**	0.114**
R^2	0.113	0.177	0.331
Adjusted R^2	0.109	0.174	0.328
F	30.112	50.855	116.263
Sign.	0.000	0.000	0.000

^aReference: Sweden

^bReference: Traditional policy

Only significant beta coefficients are reported. Sig. level: **0.01; *0.05

DISCUSSION

What overall picture emerges of the use of managerial instruments? In this chapter, we point to five themes that relate to the findings.

First, a wide variety of public management instruments are in use. The Nordic countries have opted to choose from the whole “menu” and not leave anything out. This would be in line with Røvik’s familiar argument that new organizational “recipes” travel into organizations, which then try to incorporate them into their practice (Røvik 2007). The Nordic countries have not taken on board whole concepts like NPM, but have gradually built management instruments into their public management systems. This means that the Nordic countries have been able to choose the instruments they want to employ and to downplay others. We can call this a flexible approach to management instruments.

Second, quality and steering instruments appear to be present in the Nordic countries. Unlike the NPM model, the Nordic countries have

not limited their choice of instruments to those related to the economy. This reflects the fact that the Nordic countries have constantly sought to improve and develop their welfare state models. Using quality instruments can aid strategy, while steering instruments may secure the longer-term viability of the welfare state. This also corresponds well with the categorization of the Nordic countries as “modernizers” (Pollitt and Bouckaert 2011).

Third, the use of management instruments can be used for control and evaluation, but also for legitimacy purposes. Using management instruments to document results may increase the legitimacy of the welfare state vis-à-vis citizens. Citizens have a right to know that tax payers’ money is being spent wisely and in accordance with international standards. Using management instruments becomes a way to signal to the public that public managers and politicians know what they are doing. Management instruments become a form of “insurance” for citizens that public managers are doing their job and keeping track of progress, and they can also signal to the institutional environment that the state is efficient and effective.

Fourth, management instruments are still used for more focused purposes, such as checking on results and on the legitimacy of activities, but they maybe less linked to wider government strategies. It would be interesting to find out whether overall government strategies and reform programs are linked to the use of management instruments; however, this cannot be directly gleaned from the data. One thing that caught many observers’ attention in the NPM reforms in the UK, Australia, and New Zealand was that there seemed to be a consistency between overall reform strategies like markets and managerialism and actual management instruments, such as performance management, contracting out, and accrual accounting. This link is less clear in the Nordic countries, which take a more pragmatic approach to public management reform. Nevertheless, it would be fascinating to try to establish a closer connection between reform programs and management instruments. One possibility is that management instruments do not fit or are out of sync with actual reform programs. Put another way, reform programs may not always be aligned with the actual existence of management instruments in the Nordic countries. A closer examination of this relationship over time would be relevant for understanding public sector practice in the Nordic countries.

Fifth, we earlier proposed a number of expectations concerning the importance of organizational features. We argued that larger organizations

faced more complexity and hence used management instruments to a larger extent than smaller organizations. The analyses support this expectation. Similarly, we expected agencies to use management instruments more frequently than ministries. This also finds support. Whether agencies are forced from above to use management instruments or whether they do so voluntarily is, however, not possible to determine from the analysis. Agencies are typically closer to practice and production and a number of the management instruments are used more in this type of situation. Likewise, they may face competition and therefore are forced to differentiate themselves from other types of organizations. Finally, we also had expectations concerning policy area, namely, that the welfare policy area would use management instruments more frequently owing to political exposure. However, the analyses did not support this expectation at all. In general, our knowledge about use of management instruments is limited and the expectations put forward were not well supported theoretically. The analyses presented provide some additional insights, but there is clearly a need for additional studies of management instruments and which factors influence their use.

CONCLUSION

Management instruments are part of the day-to-day operations of public sector organizations, but they also play an important part in public sector reforms. This suggests a need for studies of management instruments in their own right. In this chapter we have studied the use of management instruments in the Nordic countries and compared their use with that of other groups of European countries. The Nordic countries as a group are different from other groups when it comes to use of management instruments. For some of the instruments there are similarities with the Anglo-Saxon group. This can be related to the diffusion of NPM instruments from the Anglo-Saxon countries to the Nordic countries. The comparisons also show that the Nordic countries generally use management instruments more than the other groups. The use of instruments can be an effective way of changing organizations in a less visible way than major reforms would, hence avoiding some of the resistance and stakeholder interests that may reduce the effects of major reforms. Management instruments on the other hand also have the potential to influence procedures and day-to-day operations in a way that brings about even greater change.

Alternatively, the more intense use of management instruments may simply be a consequence of the Nordic countries' larger public sectors.

Our analysis of the variation between the Nordic countries revealed some similarities but also differences, with respect both to groups of management instruments and to individual instruments. The largest differences were found in relation to the economy instruments, where it may be possible to talk about a Swedish model. The existence of an East and a West Nordic model did not find any support.

The multivariate analysis of the differences in use of management instruments confirmed the lack of homogeneity among the Nordic countries. Country is in many cases a significant predictor for variation in use of management instruments. We expected larger organizations to use management instruments to a larger extent than smaller organizations. This was confirmed by the analysis. The same was true for type of organization. Agencies used management instruments more frequently than ministries. We also looked at policy area. But only organizations within the economic policy area revealed significant results.

Let us return to the research questions posed at the start of the chapter. When compared with other groups of European countries it is possible to talk about a specific Nordic model, despite some similarities with other groups. However, when we analyze the differences between the individual Nordic countries the common Nordic model starts to disappear. If there were a common Nordic model, the country variable should only play a minor role, yet the opposite is the case. It would be interesting to explore these differences further, but we would require additional data.

Success in Reforming Administration: What Matters?

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INTRODUCTION

Managerial fashions come and go but data on the effectiveness of administrative reforms have been rather limited. The Streeten-Kuhn maxim, that a model is “never defeated by facts, however damaging, but only by another model” (Hirschman 1970, p. 68), seems to be especially applicable to the field of management. Many countries have implemented extensive reforms without learning much about the results, whether these were the Anglo-Saxon countries at the forefront of the New Public Management movement or the more hesitant continental European reformers. Moreover, beliefs about reform effectiveness seem to vary significantly between countries.

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A fundamental question addressed by this chapter is whether the reforms carried out by different countries in recent years have been successful or not. The successfulness of administrative reforms is our dependent variable.

Evaluating the effectiveness of administrative reforms presents a twofold challenge. On the one hand, success is an elusive concept which cannot be easily measured. It is often partial and inconsistent and may be understood very differently by different recipients of intended reforms. The budget bureaucrat's bliss may play havoc with the improvement plans of professional welfare agencies and the welfare of their clients. The most obvious choice for evaluating success may seem to be cost-benefit analysis or related methods but the amount of information available or even realistically obtainable makes this approach unsuitable. Our first task is therefore to come up with a reasonable method of evaluation for administrative reforms.

Even if we had access to good measurements, however, we still lack well-tested theories of what contributes to the success or failure of administrative reforms. Administrative reform is a special area of public policy, although in many states it was not perceived as such until the 1980s. Standard models for analyzing public policy should apply to administrative reforms. We shall examine how authority structures, reform trends, and decision-making processes affect the degree to which reforms are successful. These are our independent variables. More specifically, our research question is: how do administrative autonomy, reform trends, and decision-making approaches in Nordic and other European countries impact the success of administrative reforms? It is important to underscore that there is a clear difference between the success of administrative reforms (initiatives, programs etc.) and the overall performance of public administrations (see Chap. 10). This chapter does not address the latter subject.

The COCOPS data offer an opportunity to approach the issues raised above. Although the data basically rely on perceptions rather than more direct measurements they allow us to address questions which are very difficult to tackle by other means. The Common Method Bias (see Chap. 2)—using the same respondents to give measures of both independent and dependent variables—is a problem that cannot be avoided in this chapter, as in so many other studies based on survey methodology. However, the risk of biased correlations generated by the design is given special attention in this study to minimize spurious conclusions. In what follows we begin by considering ways of measuring the success of administrative reforms and offer a realistic—albeit limited—solution to the problem of comparing success across states and reform orientations using the COCOPS data. We then move on to test how far the different models of reform account for varying success.

CHALLENGES IN EVALUATING RESULTS

Effects and results are slippery concepts with many different meanings (Pollitt and Bouckaert 2004). Public sector reforms occur at all levels of administration and there are many ways to evaluate the results. Often they are conflicting, unclear, and unstable. Unclear or conflicting goals will make it more difficult to measure effects and results. Reform goals are also often ambiguous and become modified during their implementation. In most political-administrative systems, divergent normative and political criteria may cause actors to seek compromises. This in turn contributes to policy goals frequently becoming multiple, ambiguous and partly conflicting, not least because that is what politicians may need to achieve consensus (Askim et al. 2010). This certainly applies to public management reforms, which are often claimed to be all things to all men—aiming to save money, raise service quality, and increase effectiveness all at the same time (Pollitt and Dan 2011). There are other problems that need to be discussed upfront. Firstly, there is the issue of attribution: for a reform to be said to have an impact, an outcome or output must appear, *prima facie*, to be the result of the reform in question, and not of other developments that may be happening at the same time. There must be a plausible causality (Pollitt and Dan 2013). Secondly, there is the counterfactual problem: what if the outputs and outcomes had materialized in the absence of the intervention (reforms)? It is important to be aware of these issues when carrying out an impact evaluation even if we can only address them imperfectly.

The effects or results dealt with in this chapter are the perceived consequences of administrative reform. It is important to make a distinction between the contextual influences affecting the *implementation* of reforms and those affecting the *impact* of reforms (cf. Pollitt 2013a). It is, however, difficult to differentiate between the two methodologically. Even if a reform is successfully implemented this does not necessarily indicate that it has produced positive results. Successfully implemented reforms have in some cases been found to lead to unintended, negative results. Therefore it is important to define what constitutes success, the extent to which a reform has been implemented and the extent to which it has produced positive results, or both (Pollitt 2013b).

Pollitt and Bouckaert (2011) have distinguished between four broad types of results. First, *operational* results, which are discrete and quantifiable and include such things as input effects on savings, efficiency, and productivity, output effects on activity, and outcome effects on society and

so on. Second, an improved *process* of management or decision-making which includes effects on service quality and processing time. Changes in process are frequently intended to signal a shift in administrative culture, staff motivation etc. Third, *system* results, which may be assessed relative to the degree to which the system has shifted towards some desired or ideal state. A system result is probably the most strategic kind of result. Fourth, results that may take the form of some broad change in the overall *capacity* of the political or administrative system, such as changes in the system's interaction and communication structures, or in accountability, legitimacy, trust in the system, or power relations etc.

Policy-making can be chaotic and unpredictable, which is why evaluating the results of reforms can be so difficult. Pollitt and Bouckaert (2011) have identified a number of reasons why systematic evidence of causal connections between reform programs and developments in outputs and outcomes may be very hard to come by.

- Reforms themselves are typically multi-faceted so there is always a question of which elements are working and which are not.
- Different stakeholders may take very different views of both the justifications for and the meanings of the reforms as well as of their results.
- There may be no evaluations at all.
- Evaluations are often undertaken too late, so that they have no clear view of the baseline performance prior to the reform.
- An evaluation is set up but before it can be completed the policy has moved on again; policy makers cannot wait for the full set of results.

These suggestions reiterate the importance of putting in place a comprehensive evaluation framework for strategies and policies while they are being developed.

INTERNATIONAL DATA AND EVALUATION RESEARCH

Since the beginning of the twenty-first century there have been a growing number of international indicators for different aspects of government, such as good governance, administrative quality, transparency, performance, and trust. However, collecting key indicators and comparing general features of governance in different states is complex and difficult. The World Bank's World Governance Indicators (WGIs) are one of the better

known databases and cover six dimensions of politics and management. But these are just one of more than 400 comparative indices that existed by 2007 (Pollitt and Bouckaert 2011). The OECD is another international organization that focuses on public administration. The OECD Government at a Glance database includes indicators on public finances and employment as well as on key governance and public management issues, such as strategic governance, budgeting, compensation in the public service, public procurement, and open government.

The OECD's Government at a Glance database is different from the WGIs in that it does not try to aggregate multiple variables towards an overall estimate to the same extent. Aggregated indices, like the WGIs, for example, are seldom simple and tend to conceal a multitude of methodological decisions and uncertainties and are actually rather difficult to interpret. Therefore they have made only a modest contribution towards helping us understand how effective particular types of management reform have been. It is difficult to trace these aggregate "results" back to specific reforms, and sometimes the aggregate is itself a somewhat incoherent jumble of inputs, processes, outputs, and outcomes, the overall meaning of which is very hard to discern (Pollitt 2010). Despite these databases, very little reliable data exist regarding the effectiveness of reforms.

Probably the most prominent goals for many countries when the international reform movement took off during the 1980s was saving money and reducing the size of governments. To begin with it seemed fairly straightforward. Many of the countries most determined to reform saw reductions in government spending as a share of the economy during the 1990s, and the pay of government employees fell most in the countries that implemented the most aggressive reforms (Wollmann 2003). Evaluations of the first wave of New Public Management (NPM) reforms in the Anglo-Saxon countries were limited but where they were carried out (as in Australia and New Zealand) the results were inconclusive (Pollitt 1995). Even where there was some evidence of efficiency gains, these could not be confidently attributed to the reforms concerned. Other research projects that have studied the performance management arrangements in central government agencies in Europe tend to come to the same conclusion. The empirical evidence concerning performance improvement is still inconclusive (Verhoest et al. 2012). There are examples of performance indicators and other performance management arrangements, but no systematic "before and after" data exist showing how specific structural or process reforms have improved efficiency or effectiveness (Pollitt 2013b).

The multiple difficulties in pinning down the effects of public management reforms have not deterred practitioners and academics from trying to come up with indices of success. Attempts have been made recently by leading academics in the UK to evaluate long-term government performance. Andrews (2010) tried to develop a better understanding of which features of NPM (if any) appear most likely to lead to efficiency savings and which do not. Having reviewed the quantitative evidence on the NPM-efficiency relations, he concluded that there is a dearth of conclusive evidence supporting the propensity of NPM to deliver efficiency gains. Dunleavy and Carrera (2013) took a special look at public sector productivity in the UK. Even though public sector productivity has been around as a concept for a long time, there have been few attempts to systematically measure it. The results of the analysis are mixed: there is potential for increasing organizational productivity but also clear examples of agencies where the development of productivity has been flat or even negative (Dunleavy and Carrera 2013). Hood and Dixon (2015) recently published a study on three decades of reform and change in UK central government. The results suggest that government now works a little bit worse and costs a little bit more (see Chap. 1 for more on this).

PUBLIC SECTOR REFORMS AND RESULTS

Results from the recent COCOPS research program led by Pollitt and Dan indicate that more than 90 % of the most significant and relevant studies on the impact of New Public Management contain no data on outcomes. The data gathered contain information about changes in *output* resulting from performance-oriented reform (Pollitt 2013b). The results of Pollitt and Dan's (2013) analysis indicate that it is not appropriate to think in general of a particular tool or technique "working" or "not working." However, it is important to take into consideration the variety and power of contextual influences (Pollitt and Dan 2013). Also, the examinations of reports claiming that actual change has occurred are highly variable. It is clear from the COCOPS study that the results of NPM reforms were rather hit-and-miss. Many studies indicate, however, that contextual factors had an important influence on the fates of different types of reform and seemed to be part of the explanation for considerable variations between reports of improvements, deteriorations, or no change at all. These contextual factors included (a) the political-administrative culture, (b) the structure of the political system (centralized/decentralized,

majoritarian/consensual and so on.), (c) the volatility of governments, (d) the current level of administrative capacity, (e) the complexity of the tasks undergoing reform (standardized/professionalized and discretionary and so on) (Pollitt 2013b).

In the present context we rely on the perceptions of senior public sector executives rather than formal evaluations as a rough indicator of the success of administrative reforms. This has advantages and disadvantages. Archival or objective data are often too limited or narrow for broad evaluation purposes and may be seriously biased where they have been gathered for management purposes (Bevan and Hood 2006). Interview data suffer from a range of factors which may bias the results, including the Common Method Bias mentioned in Chap. 2. Senior public executives, nonetheless, have expert knowledge in their policy fields and may usually be relied on to have the most extensive knowledge—in the absence of formal evaluations—of how successful programs have been. They should also be capable of taking a broad view of success, rather than focusing on narrow indicators. Strictly speaking, however, it should be kept in mind that we are working with the perceptions of senior executives rather than direct measures of outcomes. We cannot be certain that their evaluations are impartial, given their close association with the issues at stake. This calls for caution in interpreting the results, although there is no *a priori* reason to believe that their partiality should introduce a special bias in comparative research. While public officials may err on the side of self-justification there is no particular reason to believe that they do so more in Norway than in Spain. In general, perception-based data covering heterogeneous cultures suffer from the fuzziness of common reference points. More research is needed to verify the validity and reliability of the data. Perception-based data, however, are used in a wide variety of contexts in the social sciences where more detailed information is lacking.

PERCEIVED EFFECTS OF REFORMS

Our indicator of success is based on the following question from the COCOPS survey: “Please indicate your views on public sector reforms using the scale below. Public sector reforms in my policy area tend to be unsuccessful—successful” (scale from 1 to 10). Lower values indicate lack of success and higher ones a more positive outcome.

Table 8.1 indicates that, together with the Germanic countries, the Nordic countries are among the most successful reformers in Europe. The

Table 8.1 Perceived success of public sector reforms in European country groups

	<i>Mean</i>	<i>N</i>	<i>Std. Dev.</i>
Nordic group	5.7	1731	2.03
Denmark	6.2	132	1.84
Finland	5.3	647	2.13
Iceland	5.1	184	2.29
Norway	6.3	305	1.68
Sweden	6.0	463	1.87
Anglo Saxon group	5.3	564	2.13
East European group	5.1	1780	2.29
Germanic group	5.7	845	2.14
Napoleonic group	4.8	1030	2.16

Question: "Please indicate your view on public sector reform using the scale below. Public sector reform in policy area tend to be unsuccessful (1)–successful (10)."

administrative executives in the Napoleonic countries have overall the lowest perception of success for reforms in their own policy area. There are however also important variations within the Nordic region (see Chap. 2 for the composition of country groups). Norway and Denmark are the most successful reformers according to this data while Icelandic senior executives report the lowest success. Among the other COCOPS countries only Germany comes ahead of Sweden with a mean score of 6.1. All the Nordic countries are close to or above the European (5.3) mean except Iceland, which ranks fifteenth in terms of mean scores. Overall, the Napoleonic countries report the lowest perceived success of administrative reforms.

EXPLAINING THE SUCCESS OF ADMINISTRATIVE REFORMS

There is no generally accepted formula for successful administrative reforms. Simon (1947) was probably right when he warned against believing in simple, law-like administrative generalizations. Lack of cognitive capacity and the complex combination of factors which affect each decision places severe limitations on our ability to find universal truths of management. For the study of administration, however, it remains an important task to find out, at least empirically, whether decisions are all equally good or bad or whether we can glimpse contextual truths through the haze of perceived problems and suggested solutions.

In the present context we seek to evaluate three broad approaches to the task of explaining the success of reforms. In the first place we look at the importance of administrative autonomy and the differences between the Nordic countries and the rest of Europe. The Nordic countries have a lot in common regarding their administrative tradition, and academics tend to generalize about the Nordic model. They are decentralized welfare states where public administrators enjoy a relatively high degree of autonomy compared with the rest of Europe. The data offer an opportunity to observe whether the structural characteristics of the Nordic states are conducive or unfavorable to successful reform.

Secondly, major reform trends of recent decades like NPM and post-NPM have introduced some of the best known management techniques used today by governments. Many countries that embraced these ideas participated in the COCOPS survey as previously discussed in Chap. 6. Previous studies tend to indicate that either there are insufficient data available to measure the success of reform trends or else their effectiveness is partial or inconsistent depending on the context. Therefore, if the relatively limited amount of research on this subject is anything to go by there is little reason for optimism. There is considerable interest in this topic as so many countries have over the last thirty years invested resources and efforts in improving public services. The COCOPS survey offers a unique opportunity to analyze the perceptions of senior public executives that have, more than any other group, been implementing the ideas and practicing the tools of NPM and post-NPM.

Thirdly, the decision-making process itself may contribute to the success or failure of reforms. There are three issues at stake here. In the first place, to what extent decision-making is characterized by careful deliberation—which Simon (1947) called bounded rationality—and to what extent it is partial and incremental. The former assumes a relatively optimistic view of rationality in public policy whereas incrementalism takes a dim view of its role in decision-making. Another issue concerns the role of civil service professionals or bureaucrats in policy-making. According to one view, the “street-level” bureaucrats in the public sector play a key role in the formulation and implementation of public services and therefore determine outcomes (Lipsky 1980). A more “top-down” version sees the street-level bureaucrats primarily as the agents of higher-level principals with little initiative and authority to act. Finally, decision-making may emphasize consensus as opposed to confrontation to a variable degree. Seeking broad consensus through consultations with stakeholders is considered a

characteristic feature of the Nordic systems compared to more centralized ones, but so far we have limited empirical evidence of whether this actually contributes to more successful reform policies in public administration.

ADMINISTRATIVE STRUCTURE AND REFORM SUCCESS

Chapter 4 offers a comprehensive analysis of administrative autonomy. The assumption is that the Nordic model exhibits more administrative autonomy than the rest of Europe. The authors of the chapter test various hypotheses, one of which relates to variations between the West Nordic and East Nordic models (Knudsen and Rothstein 1994; Baldersheim and Ståhlberg 2002). It has been contended that the East Nordic area (Sweden and Finland) receives fewer mandates than the West Nordic area (Denmark, Iceland, and Norway)—hence the East Nordic model has a more autonomous bureaucracy. The analysis in Chap. 4, however, suggests that there is little evidence for such a West/East divide among the Nordic countries with regard to administrative autonomy.

A common approach to measuring administrative autonomy is to ask experts to evaluate the autonomy of a given administration in surveys. This can be problematic, since the concept of autonomy has been vaguely specified and it is not clear exactly what it is that experts are being asked to judge (Fukuyama 2013). Chapter 4 seeks to measure the level of autonomy using respondents' answers to the question: "In my position, I have the following degree of decision-making autonomy with regard to ..." naming eight different areas and alternatives ranging from 1 (very low autonomy) to 7 (very high autonomy).

Administrative autonomy is generally much higher in the Nordic countries than elsewhere in Europe. Only the Germanic group comes close, but in most areas administrative autonomy is higher in the Nordic group. The main exception is policy choice and design where autonomy is greater in the Germanic group. Perhaps not surprisingly, the Napoleonic states are by far the most centralized, while the Anglo-Saxon and Eastern European groups occupy an intermediate position. Inter-Nordic comparisons reveal fairly similar levels of autonomy among four of the Nordic states (mean from 4.4 in Norway to 4.7 in Iceland) while the level in Finland is slightly lower (3.9).

Analyzing differences in autonomy between countries provides information about the current state of public administration, but it says little about whether the level of autonomy matters for the success of administrative reforms. Fukuyama (2013) approaches the matter of autonomy

from a capacity perspective and discusses how the quality of government is the result of an interaction between capacity and autonomy. He warns against too much autonomy because this may undermine bureaucratic responsiveness. But, equally important, a non-autonomous bureaucracy micromanaged by politicians is not ideal either. He sees a need for balance. Bureaucrats should not be isolated from their societies or make decisions at odds with citizens' wishes. If the general mandate is to provide high-quality services in health or education, the bureaucracy needs feedback and criticism from the citizens it is trying to serve (Fukuyama 2013).

By accepting that administrative autonomy is an important characteristic of high-quality government we are saying that neither the Weberian nor the principal-agent models can stand intact as frameworks for understanding how bureaucracies ought to work. The administrative autonomy theory suggests that the success of governments has as much or more to do with the power of the people implementing policy as with the decisions made by political authorities or principals (Fukuyama 2013).

The COCOPS countries in the survey are all developed countries with considerable administrative resources and highly professionalized public administrators. Their public administrations can therefore reasonably be expected to have relatively good capacity to achieve successful reforms. The COCOPS data allow us to analyze the level of autonomy and whether it is a predictor for successful administrative reforms. In Europe there is a positive relationship between autonomy (average of eight items in the question on autonomy) and the success of public sector reforms as perceived by senior executives, see Fig. 8.1. The Nordic countries tend to implement public sector reforms more successfully than other European countries. More centralized countries are less successful than more decentralized ones.

Can lack of success in southern Europe be explained by lack of capacity or lack of autonomy? The COCOPS survey does not allow us to be conclusive, but the results do suggest that the perceived success of government is the result of an interaction between capacity and autonomy. We would expect the level of autonomy to be a relevant factor in explaining whether administrative reforms are successful or not. Figure 8.1 is consistent with this. It shows that the relationship between autonomy and success between states is quite strong. However, the relationship between autonomy and the success of public sector reforms *within each state* is much weaker. When we ran correlations between the variables reported in Fig. 8.1 within each of the Nordic states, only modest relationships

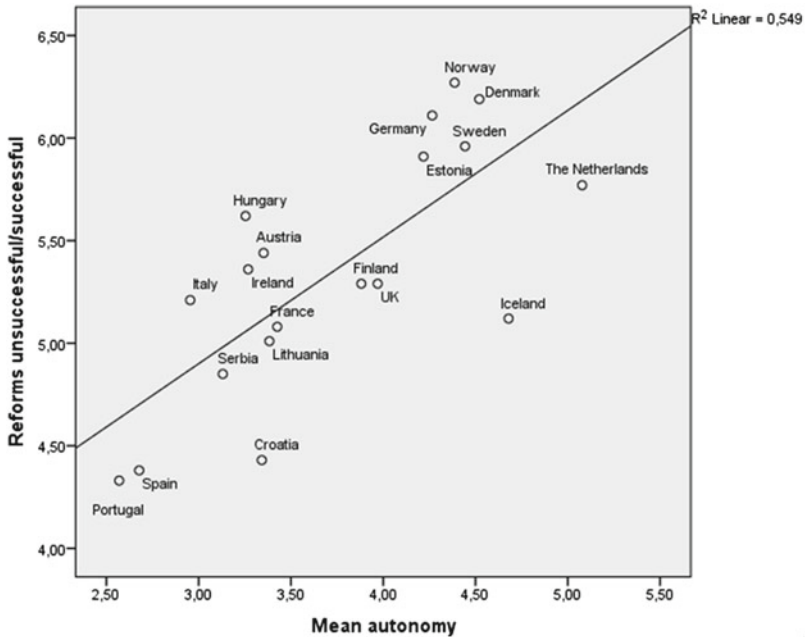


Fig. 8.1 Level of administrative autonomy and the perceived success of administrative reforms

(Pearson's r from 0.16 to 0.29) were obtained, although they were significant at the 0.001 level in all but the Danish case. Thus, the positive effects of administrative autonomy are stronger on a system level than within each state. This may indicate that some specific component of administrative autonomy is part of each state's national administrative structure or even culture, and this component is common for each state but varies between them and has a significant influence.

REFORM TRENDS AND SUCCESSFUL REFORMS

Two public reform waves have been important in recent decades, New Public Management and post-New Public Management. However, recently there has been a shift of focus within many European countries from the traditional NPM reforms (privatization, agencification, and contracting out) towards post-NPM reforms (digital government, transparency, citizen

participation, and collaboration) as previously discussed in Chap. 6 (based on Q17 of the questionnaire). The relationship between NPM and post-NPM methods and the performance of public organizations remains an extremely timely concern as governments try to find ways to cut back public sector expenditure, searching for tools and techniques that will enable public managers to deliver quality services at a lower cost.

Like NPM, post-NPM can to a certain extent be seen as a “shopping basket” of different methods, but there are fundamental differences between the two reform waves (Klijn 2012; Pollitt 1995). The NPM focus has been on improving efficiency, contracting out services, marketization, a private-sector style of management, and setting up systems for management by objectives and results. Under NPM, politicians have a more strategic, goal-setting role, and civil servants are supposed to be autonomous executives held to account through performance management and incentives (Pollitt and Bouckaert 2011). Post-NPM reforms seek to improve the horizontal coordination of governmental organizations and enhance coordination between the government and other actors. In contrast to NPM, post-NPM implies a mixed pattern of in-house, marketized services and delivery networks, a client-based, holistic management style, boundary-spanning skills, joined-up targets, a procedural focus, impartiality and ethical norms, and stronger centralized control (Lodge and Gill 2011). Post-NPM is also preoccupied with strengthening the capacity of the center, both politically and administratively, but also with structural reintegration and control of agencies (Christensen and Læg Reid 2007).

The willingness to reform has always been strong in the Nordic countries. They have been open to international trends in public management including both NPM and post-NPM. Since the mid-1980s, all the Nordic governments have had their own renewal or modernization programs and for some, like Denmark, a new modernization program has been evolved by each new government.

To assess the difference between the use of NPM and post-NPM methods in different countries, a specific classification was applied, whereby reform trends (Q17) (e.g. transparency, flexible employment etc.) were assigned either to NPM or to post-NPM.¹ In addition, we constructed a combined variable (average score from the NPM and post-NPM measure) which is intended to reflect reform effort.

Table 8.2 shows correlations between perceived reform success and the reform trends dominant in the respondents’ policy areas. The correlations in the Nordic countries are on the whole weak. But overall the

Table 8.2 Correlations of reform trends and perceived success of public sector reforms in European country groups

	<i>NPM reforms— perceived success</i>	<i>Post-NPM reforms— perceived success</i>	<i>Combined reform effort—perceived success</i>
Nordic group	0.03	0.10**	0.08**
Denmark	0.04	0.05	0.07
Finland	0.08*	0.15**	0.14**
Iceland	0.03	0.13	0.09
Norway	0.18**	0.23***	0.24***
Sweden	0.05	0.13**	0.11*
Anglo Saxon group	0.19***	0.30***	0.28***
East European group	0.16***	0.17***	0.19***
Germanic group	0.16**	0.16**	0.19**
Napoleonic group	0.06	0.10**	0.09**

***significant at 0.001, **significant at 0.01, *significant at 0.05

correlations are highest in Norway and not significant in Denmark and Iceland. Senior executives do not appear to associate the use of NPM methods with successful reforms, and post-NPM reforms do only marginally better. The same goes for reform efforts: explained variance is practically none (r^2 is a mere 0.06 in Norway where the correlations are strongest). Compared to the rest of Europe the correlations are relatively weak in the Nordic countries but on the whole reform trends and reform efforts display a weak effect across the continent.

To further study this relationship we compared country averages across Europe. These reiterate the result that neither NPM nor post-NPM is associated with reform success. Moreover, the analysis indicates no correlation between reform efforts and the success of reform. Interestingly, however, we found a strong correlation between the use of NPM and post-NPM across countries. Countries that use NPM methods also tend to use post-NPM methods (comparisons of country averages yield Pearson's $r = 0.71$ ***). This pattern is visible even in comparisons between the Nordic states. Finland comes out as the most eager NPM and post-NPM reformer, while Norway, Denmark, and Sweden are less eager and Iceland takes an intermediate position.

These results differ from previous studies on how countries have approached these reform trends. The prevalent idea has been that different state models would lead countries along different reform paths

(Pollitt and Bouckaert 2011). But that doesn't seem to be the case, since countries that have applied NPM methods also tend to apply post-NPM methods, which might indicate that some countries are just more eager reformers than others. The results raise questions about whether different degrees of reform effort between countries could have an impact on the results or success of reforms. The analysis of the COCOPS data, however, show a weak correlation between reform efforts and the success of reforms when country averages are compared (Pearson's $r = 0.25$). Therefore, willingness alone does not necessarily bring about reform.

These results are unlikely to be very encouraging for bureaucrats that have endured thirty years of near-constant reform of their working conditions thanks to NPM and other reform waves. We should therefore not expect implementation of major trends to successfully reform the public sector regardless of the context. This conclusion is further strengthened by a preliminary analysis which we ran on the relationship between the use of specified instruments and the success of administrative reforms. The fourteen instruments (Q7 in the COCOPS survey) included strategic planning, quality management, codes of conduct, and benchmarking, among others. Although the results were encouragingly positive, in almost all cases the relationship with success was weak (Pearson's r of between -0.01 and 0.23), indicating that the effectiveness of managerial instruments depends on contextual factors. There is no one-size-fits-all solution to managerial dilemmas. However, it may be important to study the preparation in each case and how well reforms can be adjusted to the environment and the task at hand.

THE IMPACT OF REFORM PROCESS AND CONTENT: THREE MODELS

An important reason why we find only weak or in some cases no relationships between reform success and the different administrative techniques may be that different types fit different situations. This is a major lesson of the so-called "contingency theory" of management (for a short overview see Morgan 2006). This may also account for why autonomy is positively related to success, since, as Mintzberg (1983, p. 96) puts it, excessive centralization is perhaps "the most common error committed in organizational design". Uniform solutions do not fit divergent environments. Instead of seeking the roots of successful reforms in the types of managerial tools applied, it may therefore be of interest to study procedural

models: how administrative policy is made and how it changes, rather than what that policy consists of. Three standard models of decision-making and policy include the bounded rationality model, the implementation model, and the consensus model (for example Simon 1947; Lipsky 1980; Lijphart 1999).

Bounded Rationality

Simon (1947) pointed out that a realistic (behavioral) view of rationality needs to take into account the limited capacity of decision-makers to conduct substantively comprehensive analyses. The decision-maker within the administration is aware of the limitations of the analysis and of the limited time available to carry it out. Ultimately, the option chosen by the administration needs to satisfy minimum requirements. Simon's perspective has been used to analyze and explain the administration in big corporations (Williamson 1975) and different human resource traditions in public administration (Silberman 1993), and it has been the basis for using an empirical approach in evidence-based policy-making.

The theory of bounded rationality considers rational policy-making as a process which fulfils certain requirements with regard to agenda-setting, fact-finding, and analysis and decision-making that generally places greater demands on public policy-making than other approaches. Firstly, it anticipates that the decision-making process will be consistent and comprehensive, unlike the garbage can approach (Kingdon 1995; Cohen et al. 1972). Secondly, it expects policy options to be arrived at through a coherent process, unlike Lindblom's (1980) approach, which is much more dictated by random events. Lindblom expects policy-makers to try to get away with making minimum changes to the present policy since they may turn out to be easier to adjust to as more or less known quantities. Thirdly, Simon expects the choice of policy options to satisfy minimum requirements. The option implemented should therefore satisfy the minimum standard of policy-making set by the administration. There is a minimum coherence between the analysis of the problem, the evaluation of policy options, and the decision taken.

The Implementation Approach and the Importance of Professionals

How successful countries are in implementing reforms and achieving results can depend on the key decision-makers in the process. In the policy implementation literature two schools of thought have been debating this

issue for a long time. The debate is about whether the central decision-makers (top-down)—those that develop and decide on a policy—or the local actors and practitioners (bottom-up/street level) are more relevant to its success or failure.

According to Lipsky's (1980) theoretical perspective, street-level bureaucrats are public employees who interact directly with citizens and have substantial discretion in the execution of their work. These are, for example, teachers, police officers, and social workers who work closely with customers, clients, and consumers and are likely to have a greater impact on whether a reform policy is successful than politicians or experts.

The bottom-up approach may lead to some decisions being made that contradict the current policy. Among the benefits of the bottom-up approach is its focus on strategically located actors who devise and implement government programs, thus contextual factors within the implementing environment are important. It is at the micro-level that policy directly affects people. The influence of policy on the action of street-level bureaucrats must be evaluated in order to predict that policy's effect (Weatherley and Lipsky 1977).

The Consensus Model and Consulting with Stakeholders

Lijphart (1999) makes a distinction between majoritarian vs. consensual systems, further developed by Pollitt and Bouckaert (2011) in the context of public sector reforms. While some skepticism persists concerning the viability of this model, the COCOPS data offer an opportunity to analyze to what extent unitary/centralized and consensual systems are more or less effective.

Results from studies on New Public Management in the 80s and 90s indicate that countries with strong consensus systems (for example corporatism) are not able to implement reforms as effectively as states with a strong majority system. According to these studies, majoritarian systems are more efficient at implementing their reforms. In consensus systems, governments are forced to negotiate with interested parties and make compromises (Hood 1991; Pollitt 1990; Christensen and Lægveid 2001). The empirical basis for this interpretation is contested, however. According to Yesilkagit and De Vries (2004) "there is simply no convincing empirical evidence that it has been the *institutions* of majoritarian systems that deemed public management reforms to be more successful there than in consensus systems".

There is a substantial difference between these two types of systems. A strong majority can push issues through in a short time compared to consensus systems where consultations with stakeholders are required, involving delays and compromises. However, the preparation in consensus systems should be of higher quality even though implementation may take longer.

*Policy Making and the Success of Administrative Reforms
in the Nordic Countries*

For a number of reasons we should have high expectations for all three policy-making models in the Nordic group of states. As argued in Chap. 9, the Nordic states are generally considered to practice deliberation and consensus politics to a higher degree than most, and the bounded rationality and consensus models may therefore be expected to have considerable influence on public policy. Similarly, in the present chapter we have shown that autonomous decision-making by public administrators is a strong characteristic of the Nordic systems, and professional administrators should therefore be expected to play a relatively large role in policy implementation. Furthermore, the analysis of the content and processes of public administration reform shows a significant variation between the Nordic model and other country groups, referred to as the North-South divide in Europe. Hence, there is a clear difference between countries' reform approaches, which may have an impact on the success rate of their reform efforts (see Chap. 6).

Variables from the COCOPS survey may be used to gain insights into how successful the different models are perceived to be with regard to administrative reform policy. It should be noted, however, that the variables only partly capture the essence of the different models and they are therefore, in the present context, used as approximate operationalizations of their core elements. Moreover, they only measure subjective evaluations and may reflect bias of various kinds. Nonetheless, they constitute a rich source of material which should not be ignored. The basic reform approach was mapped using the following question: "Please indicate your views on public sector reform using the scales below. Public sector reforms in my policy area tend to be..." The respondents were then presented with a number of dichotomies ranging from 1 to 10. In the case of bounded rationality we base our analysis on assessments of reforms as being crisis- or incident-driven vs. planned, substantive vs. symbolic, consistent vs.

inconsistent. For implementation we look at cost-cutting and savings vs. service improvement and top-down vs. bottom-up. Finally, the consensus model is operationalized on the basis of the following views on reforms: no public involvement vs. high public involvement and contested by the unions vs. supported by the unions.

In Table 8.3 all three models, i.e. bounded rationality, professional control, and consensus building, get some support from the data. When viewed individually there is a significant correlation between all the variables of the models shown and the success of the reforms. The same applies to each of the models, with bounded rationality receiving strongest support ($R^2 = 0.42$) and the professional model a close runner-up ($R^2 = 0.40$), while the consensus model comes third ($R^2 = 0.25$). When the variables are run all together, elements of the bounded rationality model (substantive and consistent reforms) prove to be by far the strongest predictors of success, but public involvement also has a fairly strong relationship with success. The professional model, however, apparently adds little to the explanation provided by the others when all the variables are considered together.

The question is how far these perceptual relationships can be generalized to the broader context of reform success. One concern here is with the problem of Common Method Bias, which has been briefly mentioned before. Some features of the data set prompt a cautious interpretation, including the possibility of a common rater effect (the same respondent provides answers to both independent and dependent variables and may seek to appear consistent), common scale formats (the same scale is used to measure all items), and measurement context variables (all variables are measured at the same time in the same conditions, which increases the likelihood that respondents will remember their answers to other questions). Since we cannot alter the research design, which is limited by our use of the COCOPS survey, we ran statistical tests to look for indications of the Common Method Bias. The results do not indicate that the Common Method Bias is present.²

A similar analysis to that in Table 8.3 was carried out for each of the Nordic countries and for the other European COCOPS countries as a whole. The bounded rationality model does best in all of the Nordic countries, followed by the consensus model (with Denmark and Norway tending towards greater importance of trade union support while in Sweden, Finland, and Iceland public involvement is of greater importance). The professional model does considerably worse, although in Finland and Iceland service improvement yields a relationship of modest ($p < 0.05$) significance.

Table 8.3 Factors influencing perceptions of reform success in the Nordic states: Three models of decision making in multiple regression analysis

<i>Bounded rationality model</i>				
Crisis or incident driven OR planned			0.16	0.10
Substantive OR symbolic			-0.29	-0.25
Consistent OR inconsistent			-0.30	-0.23
<i>Professional model</i>				
About cost cutting OR about service improvement			0.31	0.09
Top down OR bottom up			0.12	0.06
<i>Consensus model</i>				
No public involvement OR high public involvement			0.33	0.17
Contested by unions OR supported by unions			0.24	0.11
Constant	7.833	3.915	0.2952	5.711
<i>N</i>	1700	1704	1704	1671
<i>R</i> ²	0.42	0.40	0.25	0.51

All relationships significant at $p < 0.001$

We use unstandardized B's as a more transparent measure of the effect of 1 unit change of each independent variable compared to standardized Betas given that scales used for the independent variables are identical

For the remainder of Europe the predictive power of the three models is on the whole slightly weaker than in the Nordic countries, although the pattern is much the same: the bounded rationality model receives greatest support, followed by the consensus model, with the professional model in third place. According to the analysis, the results of public sector reforms depend to an important extent on preparations. To be successful the reforms need to be substantive and consistent, and consultation with relevant stakeholders (who may be different from one case to another) also matters.

CONCLUSION

The study of administrative reforms lacks a strong research tradition for evaluating the success and effects of reform activity. New reform waves are often initiated without direct evidence of their likely impact and sometimes abandoned before they have proven their worth or—as the case may be—lack of worth. In the present chapter the perceptions of senior

executives in Nordic (and European) public administration have been used as indicators of reforms' success. Although the executives' evaluations may be biased in a number of ways, they provide rather unique data which should not be neglected, given the proximity of the respondents to the issues at hand.

As far as we know there exists no general theory purporting to explain when administrative reforms will be successful and when they will not and it has not been the ambition of the present chapter to develop such a theory. What we have done, instead, is to consider different approaches which might seem relevant and likely to provide new insights. This included, in the first place, an emphasis on authority structures of the administrative system, in particular the degree of autonomy enjoyed by senior executives. Secondly, we examined the effects of the content of the dominant reform trends of recent decades. They include above all NPM and the conglomerate of ideas and techniques labeled post-NPM. Finally, we considered administrative reforms as a policy-making process, looking at how certain features of decision-making and policy implementation influenced success.

The main focus of the chapter has been on the Nordic countries, which are characterized by a relatively decentralized administrative system and administrative autonomy compared to the rest of Europe. The Nordic countries—with the exception of Iceland—are among the most successful reformers in Europe and country level comparisons indicate a strong relationship between administrative autonomy and the success of administrative reforms. Thus, although centralization and political control are more in line with classical models of administrative thinking, it seems that more loosely coupled and networked systems together with decentralized and relatively strong administrative autonomy may in fact be more conducive to achieving reform goals, at least with regard to administrative reforms. This may be the main lesson regarding the Nordic success in reforming the administration.

Advocates and critics of NPM have waged a battle for decades concerning its beneficial or adverse effects, often without much evidence to build on. It seems clear that NPM has introduced a greater emphasis on performance in the public sector which few governments today are likely to ignore. It has been suggested that post-NPM methods have found a receptive audience in countries where the market-based approach of NPM had less appeal. Our findings indicate, however, that NPM and post-NPM tend to go together: where NPM has been widely used, post-NPM methods have been common as well. However, we found little evidence to

suggest that either of the two major currents is especially associated with successful reforms. Although the limitations of our data require caution, this may suggest that NPM is neither as beneficial nor as harmful as was initially suggested. Similarly, the effects of post-NPM reforms may simply not yet have manifested. So far, the content of reforms does not seem to explain the perceived success of reforms; instead, the style of adopting reform policies seems to be of major importance.

The use of generic management tools across the board may rest on simplified assumptions concerning their effects. Tools have to be fitted to context through analysis, deliberation, and consultations. Thus, our third approach to explaining the success of administrative reforms is concerned with the policy- and decision-making process itself. A bounded rationality model, professional model, and consensus model were applied to the data to search for effects on the success of administrative reforms. Although the models are only imperfectly embodied in the data items used to measure them, the findings are suggestive. Each model was found to be strongly related to the success of administrative reforms, while in a multiple regression analysis the bounded rationality model with an emphasis on substantive and consistent (as opposed to symbolic and inconsistent) policy-making came out strongest and the professional model weakest. The combined effects of the three models was strong in all of the Nordic countries and only slightly weaker in the other European countries.

The findings of the chapter thus suggest that administrative autonomy together with careful deliberations and a consensual policy-making style are important conditions for successful administrative reforms, rather than the type of reforms implemented as such. Limitations of the data, however, indicate the need for further research. The explorative nature of our theoretical approach, moreover, indicates the need for a more systematic effort at theory building in the field.

NOTES

1. NPM: Privatization, Creation of autonomous agencies or corporations, Contracting out, Flexible employment, Treatment of service users as customers, Focusing on outcomes and results. Post-NPM: Transparency, Digital- or E-Government, Collaboration and cooperation among public sector actors, Citizens' participation methods/initiatives, Merger of government organizations.

2. Although there are probably no fully secure ways of detecting CMB we ran a number of tests for the variables included in Table 8.3. According to Harman's single factor test, explained variance is 38 % for the single factor which is a positive indication for our analysis (cf. Podsakoff et al. 2003, p. 891). A slightly more advanced method is Confirmatory Factor Analysis (CFA) which was not decisive although suggesting on the whole that CMB is not present. We used Diagonally Weighted Least Squares (DWLS) estimation to evaluate the model and received the following fit indices: Factors where 0.95 or higher are suggestive of CMB resulted in CFI = 0.950; NNFI = 0.926 and NFI = 0.944. Factors where figures of 0.05 or lower are considered to indicate bias: RMSEA = 0.068 (margin of error 0.057–0.079); SRMR = 0.056. CFI is borderline but others indicate that a single factor does not describe the data especially well. Structural Equation Modelling was considered but the data does not fulfill its requirements; the model was under-identified due to too few variables.

Managing the Financial Crisis

Gunnar Helgi Kristinsson and Pétur Berg Matthíasson

INTRODUCTION

The Nordic region, with the exception of Iceland, emerged from the crisis which hit the world economy in 2008–2009 comparatively unscathed. Its impact in the Nordic countries varied from non-severe, in the cases of Denmark, Finland, and Sweden, to hardly noticeable in Norway. Iceland, by contrast, was hit hard. A number of factors may influence how states react to crises, but one of them is inevitably the severity of the crisis. A growing literature on crisis and crisis management has emerged in recent decades within public management studies (Heath and O’Hair 2009; Crandall et al. 2010). Although partly intended as a toolkit for handling crises, it contains a number of theoretical assumptions as well. In the present chapter we examine how well the crisis management perspective accounts for how the crisis was handled in the Nordic countries. The main focus is on how far the response to the crisis was determined by its scope as opposed to more

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local, structural, or cultural factors. At the same time we keep our eyes open for signs of a “Nordic” approach to managing crises in the public sector.

There are many types of crisis with varying degrees of severity. In the present context we are interested in the administrative consequences of the financial crisis in the Nordic countries. Three main themes are explored. In the first place we study how the agenda of administrative reforms was affected by the crisis, in particular the question of whether it led to a more targeted approach to reform as opposed to a more incremental one. Crises are often seen as opportunities for more radical reforms than can be managed in normal times. On the other hand, limited time and resources set definite limits to what is realistically achievable. Secondly, we study the impact of the crisis on administrative structures, especially with regard to the degree of centralization. The Nordic states are characterized by relatively decentralized administrative structures, so the question is whether the crisis has brought greater centralization as was the case in many other European countries. Finally, we look at the outcomes of the reform measures taken in response to the crisis, i.e. whether they are perceived as successful or not.

As in other chapters in this volume, the analysis is based primarily on data from the COCOPS survey. The focus on the financial crisis in the present chapter, however, calls for a slightly different approach. The COCOPS data do not contain a direct measure of the depth of the crisis, and in any case, the crisis is primarily a national rather than an individual or sectoral variable. After outlining our theoretical approach, we therefore start out by discussing the crisis in the Nordic countries and subsequently evaluate its impact on the reform agenda, the administrative structure, and the success of administrative reforms. The analysis relies more on system level comparisons than in other chapters.

CRISES AND CRISIS MANAGEMENT

Crisis can be of different kinds and the crisis management literature is more often concerned with natural disasters, technology failures, acts of terror etc. than with financial, economic, or fiscal crises. All crises, however, are “events or developments widely perceived by members of relevant communities to constitute urgent threats to core community values and structures” (Boin et al. 2009, pp. 83–84). Clearly the global economic downturn which hit the world in 2008 could be categorized as such an event in most developed economies (see, for example, ‘t Hart and Tindall 2009).

A crisis of substantial proportions is likely to have an immediate effect on the policy agenda, with different advocacy groups attempting to seize the opportunity to exploit it. It is likely to trigger a “framing contest” for interpreting the crisis, which will also determine the response to it (Boin et al. 2009). A defensive interpretation is likely to emphasize its coincidental or external nature whereas advocates of major reforms are likely to pin the blame on internal factors. Perceptions of a crisis may also change as it develops, however. Kickert et al. (2013) ask whether the gravity of the financial and economic crisis was the primary factor determining policy choices in Europe rather than political and administrative factors such as centralization or majority power. They suggest that the policy response to economic and financial difficulties may differ from one stage of a crisis to another. Thus, the early stages of a crisis may be met with denial and unwillingness to depart radically from established practices. The decision to implement serious cutbacks emerges only at a later stage when facing the challenge becomes unavoidable. Nevertheless, recognition of the need for decisive action may develop only slowly, starting with across the board cuts designed to achieve greater efficiency, while more targeted cuts and political priority-setting occur at a later stage (Kickert et al. 2013). They conclude on the basis of country studies that the depth of the financial crisis rather than political and administrative factors was decisive in shaping the crisis response. “The worse the economic situation and the worse the budgetary situation, the more drastic and far-reaching measures had to be taken by the governments” (Kickert et al. 2013). Given the relatively mild impact of the crisis in the Nordic countries we should therefore expect a more incremental approach than in countries where the crisis hit harder. By the same token, we should expect crisis reactions in the Nordic countries to vary according to the scope of the crisis.

H1. The crisis response is determined by the scope of the crisis and becomes less incremental and more targeted as the crisis hits harder.

Crises are often associated with centralized decision-making, both in popular perceptions and in the theoretical literature (Boin and ‘t Hart 2003; Boin 2004). Thus, governments may be granted extraordinary powers in times of crises, and with limited time and resources available for fact-finding and deliberation, a small group of decision-makers are often thought to be more capable of staying in charge of a difficult situation than a more dispersed one. While this may, in fact, not necessarily be the

most effective way of coping with a crisis (‘t Hart et al. 1993) it has a tendency to coincide with decision-makers’ evaluations during crises. In this respect there is an interesting contrast between popular expectations and research findings, as Boin and ‘t Hart (2003, p. 547) point out. “In reality, crisis-response efforts depend on many people in several networks. At the political-strategic level, efforts to radically centralize decision-making authority tend to cause more friction than they resolve because they disturb well-established authority patterns”. Popular perceptions are resilient, however, and likely to influence policy to a significant degree. Hence, we expect a greater degree of centralization to be associated with the depth of the economic and financial crisis.

H2. The deeper the economic and financial crisis which started in 2008, the greater the degree of centralization in public administration which followed.

By implication, this also means that we should expect a weaker trend towards centralization in the Nordic countries following the crisis compared to other European countries, since they were—except for Iceland—less affected.

While crises are frequently seen as favorable opportunities for change, it is less certain that the changes introduced during the crisis will lead to favorable outcomes. Research findings indicate that, for a variety of reasons, it can be difficult to manage reforms while cutting back public services (Lagadec 1997; Dekker and Hansén 2004; Birkland 2006). Organizations tend not to be good learners, especially not in the aftermath of crises and disasters. Another barrier is the lack of authoritative and widely accepted explanations of why and how the crisis happened. The trajectory of a crisis usually involves a mix of individual, organizational, technological, and societal failures, but how these factors interrelate and play out can be the subject of intense debate (Boin and Schulman 2008). The important thing is that the imperatives of successful reform and successful crisis management are likely to be quite different. According to Boin and ‘t Hart (2003, p. 549), the crisis-reform thesis is “not only naive, but also logically unfounded”. Crisis management means minimizing damage and restoring order, which is far more easily achieved through the revival of existing patterns than recourse to radical or non-incremental reform. If reform is attempted during a crisis we should therefore expect it to be less successful as the crisis grows deeper.

H3. The crisis is not associated with successful reform. The deeper the crisis, the less successful administrative reform tends to be.

Given the relatively mild crisis in the Nordic countries we should, in line with this, expect administrative reforms to be relatively successful compared to other parts of Europe where the crisis struck harder. Again, Iceland constitutes the exception among the Nordic states: administrative reform should be less successful there.

THE CRISIS AND THE NORDIC COUNTRIES

The global financial, economic, and fiscal crisis of 2007 and 2009 was one of the greatest challenges that Western governments have faced for decades. Many countries have had to take drastic measures to recover from its impact. While some have been fairly successful, others are still dealing with its consequences. The crisis that started in the United States in 2007 passed through several stages between 2007 and 2010 in many Western countries. The initial phase was the banking crisis of 2008, which resulted in the collapse of banks and financial institutions. That soon led to a global financial crisis, with governments undertaking various rescue measures to save and support financial institutions. In 2009, the economic crisis followed and began to negatively affect other parts of the economy. It led to a fall in GDP and employment, forcing governments to undertake further economic recovery measures. The fiscal crisis took the shape of increasing government debt and budget deficits, causing governments to consolidate their budgets and introduce austerity measures. This pattern has been fairly common in many European countries. In 2010, the fourth phase of the crisis, the Eurozone crisis, erupted in countries with excessive national debt levels and budget deficits. Coupled with lenders' increasing interest rates on state bonds, it became almost impossible to further finance deficits and debt. Greece, Ireland, and Portugal were bailed out in 2010, Spanish banks were bailed out in 2012, and Cyprus was bailed out in 2013 (OECD 2009; Kickert 2012; Posner and Blöndal 2012; Kickert et al. 2015).

Denmark, Finland, Iceland, and Sweden were all hit by the economic and fiscal crisis in 2008. However, apart from in Iceland, the impact was relatively modest compared with the rest of Europe. Loss of jobs was undoubtedly one of the major consequences of the crisis. In most of the Nordic countries unemployment did go up, but not more than 3–4 % and

it remained in single-digit figures. Norway was only marginally affected by the global financial crisis and can be considered a special case. Norway did not really face a fiscal crisis at all, which, according to the Norwegian financial crisis commission, was probably due to a combination of luck, skill, and caution (NOU 2011, p. 1).

The Nordic countries that had been able to avoid the deep crisis of the 1970s were hit by serious economic difficulties in the early 1990s. The crises had their roots in the process of financial liberalization in the 1980s and deregulation in Finland, Sweden, and Norway. The financial liberalization set off a sustained lending boom, capital inflows, rising asset prices, and rapidly increasing consumption and investment. The boom turned into bust around 1990, with capital outflows, widespread bankruptcies, falling employment, declining investments, negative GDP growth, systemic banking crises, currency crises, and depression. The crisis was unexpected as no financial crisis had occurred in the Nordics since the 1930s. A turning point came in 1992, when Finland, Sweden, and Norway floated their currencies, and the following year a prolonged period of rapid growth began in all three countries. Denmark, on the other, had gone through a difficult period during the 1980s but managed to steer clear of the mistakes that the other Nordics made when they opened up their financial systems to the rest of the world (Jonung et al. 2009; Holmström et al. 2014).

Denmark and Iceland were the only Nordic countries where banks collapsed during the financial crisis of 2008. The collapse of the Roskilde bank in the summer of 2008 marked the beginning of the financial crisis in Denmark, and between 2008 and 2010 Denmark went through a systemic financial crisis in the banking sector resulting in major losses and write-offs. Several banks had to be rescued and the currency came under international pressure (Kickert 2013). In Iceland, all three major banks experienced severe liquidity shortages and stood in dire need of Central Bank emergency funding. By mid-October 2008, the three banks had been taken over by the government on the basis of a new emergency law. Denmark and Iceland were both doing well economically before the international financial crisis, with budgets in surplus for a long time and government debt relatively low. Even though Denmark and Iceland were hit hard by the banking crisis, the sheer size and depth of the crisis in Iceland makes it stand out from the other Nordic countries. Pre-crisis balance sheets of the three Icelandic banks were 110 billion euros, while Icelandic GDP in 2007 was 14.7 billion euros. Therefore, it was futile to try to bail out the three large banks in Iceland. The reason was not only

their enormous size—almost ten times GDP when the crisis struck—but the fact that over two thirds of their assets and liabilities were in foreign currencies while the foreign currency reserves of the country amounted to only 35 % of GDP (Kickert 2013; Thorgeirsson and Van den Noord 2013).

With such a major crisis to deal with, the Icelandic government sought financial assistance from the IMF, the only Nordic country that had to approach external partners for support throughout the crisis. In Denmark the financial sector was charged with paying for the measures that had to be implemented to cushion the impact of the financial crisis there.

When we compare the economic and fiscal consequence of the banking crisis in the Nordic countries, certain indicators stand out. Firstly, inflation in Iceland skyrocketed—unlike any other Nordic country. The value of the Icelandic krona fell by 50 % against the euro in two years. The depreciation had a relatively positive impact on exports, like fish and aluminum, but households suffered. Traditionally, unemployment has been low in Iceland compared with other European countries and while it rose in 2009 and 2010, it subsequently fell again and is now almost down to the pre-crisis level. Unemployment rose in Denmark as well but has not come down at the same pace as in Iceland. The steepest fall in GDP in the Nordics was in Finland and Iceland (World Bank website, data accessed 2015).

Reflecting the depth of the crisis through a single indicator can only be done through approximations and imperfect measures. In their study of fiscal consolidation in Europe Kickert et al. (2015) use macro-economic indicators, such as GDP growth, budget deficit/surplus, and gross debt (Eurostat). Stagnation is typically associated with high unemployment, but in the short run it may be alleviated through public borrowing and greater spending. In Fig. 9.1 we calculate the product of unemployment (2010 figures, Eurostat 2015) and government debt (2012 figures, OECD 2015a) as a rough indicator of the depth of the global economic downturn in individual European states.

The Nordic countries were generally among the least affected by the crisis, with Norway hardly affected at all, while Iceland was more severely hit. While the Icelandic economy sustained a major shock, it benefited from the favorable state of public finances prior to the crash and a flexible labor market with little structural unemployment. The situation in the public sector thus never became as severe as in some of the other crisis countries, although large groups of people were adversely affected.

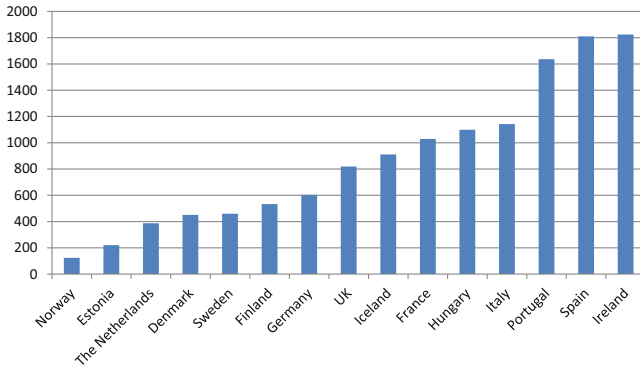


Fig. 9.1 Depth of crisis in European countries (product of unemployment and government debt).¹

The crisis did not produce a major new reform orientation in the public sectors of the Nordic countries. Some lessons had already been learnt in the wake of the financial crisis which hit Denmark, Finland, Norway, and Sweden in the early 1990s and may have spared them some of the consequences of the 2008 crisis (Jonung et al. 2009). The more recent crisis was—unlike the previous one—perceived to be externally created to a significant extent and did not give cause for a radical re-thinking of established practices. In fact, with the exception of Iceland, the crisis went hand in hand with increased confidence in government. The Norwegian public sector, according to Lægreid (2013, p. 8) “has not faced any kind of fiscal crises, cutback management or significant cost-cutting measures as a result of the global financial crisis.” In the Swedish case Pierre et al. (2014, p. 2) maintain that “the government has skillfully and successfully navigated the Swedish economy past the reefs of crisis and instability,” while in Finland, although it suffered more, the crisis had a strong impact on public finance but did not prompt large-scale institutional reforms (Anckar et al. 2014). Similarly, in Denmark priorities during the crisis were more focused on the economy than on administrative reforms (Laursen et al. 2014). The Icelandic public sector was more severely affected compared with other countries and the major priority of Prime Minister Sigurdardóttir’s government, which came to power in 2009, was the introduction of a Nordic-type welfare state, which it maintained had not been in place.

CRISIS AND THE REFORM AGENDA

Economic recessions exert simultaneous pressure on government spending and on taxes. Maintaining spending may soften the initial blow but must eventually be paid for through higher taxes. For policy-makers crises thus create a “fiscal squeeze” in public finance, between spending and taxation (Hood et al. 2014). In administration, however, it is the spending aspect that is the main cause for concern. While administrators may still hope for Keynesian-style miracles, they mostly realize that a deep crisis will eventually require cuts. The basic choice confronting policy-makers dealing with spending cuts in the public sector involves governments’ prioritizing and deciding whether to concentrate their efforts or make proportional cuts across the board. Kickert et al. (2013), as indicated above, would lead us to expect a more prioritized approach as the crisis got deeper. Several studies on the prevalence of cutbacks in different expenditure categories have looked at the sequence of cuts over time. Dunsire and Hood (1989) claim that “core” services are likely to be spared during the early stages of cut-backs. Downs and Rocke (1984, p. 337) argue, according to the “bureaucratic process theory,” that public authorities are likely to respond to declining revenues by cutting operational expenditures. Bartle (1996) conjectures that slow or no growth will lead to denial and delay; moderate decline will bring about decremental approaches (like across-the-board cuts); while severe revenue decline will elicit termination of programs, reduction of services, and layoffs. Schick (1980, p. 127) claims that in an acute fiscal pinch the government would first opt for cutting administrative and overhead costs and maintenance activities.

Among the questions asked in the COCOPS survey was what respondents thought had been the broader approach to realizing savings in their policy area: none (no approach required); proportional cuts across the board; productivity and efficiency savings; or targeted cuts according to priorities (reducing funding for certain areas, while maintaining it for the prioritized ones) Table 9.1.

Norway is the only COCOPS country where the majority of respondents thought that no special approach was called for to respond to the crisis (53 %). In Sweden the proportion was also quite high compared with other COCOPS countries, with 26 % of respondents thinking that no special approach was called for. The European mean is 9.6 % and fewer than 15 % of the respondents in the countries closest to Sweden said that no special approach was called for. If we broaden the focus to include the

Table 9.1 ‘In response to the fiscal crisis, how would you describe the broader approach to realizing savings in your policy area?’ Percentage

	<i>None/no approach required</i>	<i>Productivity and efficiency savings</i>	<i>Proportional cuts across-the-board over all areas</i>	<i>Targeted cuts according to priorities</i>	<i>Total (N)</i>
Nordic	17	25	28	31	100 (1728)
Denmark	4	36	27	34	100 (132)
Finland	2	33	28	37	100 (641)
Iceland	3	8	61	28	100 (190)
Norway	53	11	11	25	100 (298)
Sweden	26	26	22	26	100 (467)
Anglo Saxon	3	23	32	42	100 (553)
East European	11	14	29	45	100 (1836)
Germanic	9	18	30	43	100 (831)
Napoleonic	4	21	32	44	100 (1019)

first two columns—which together may be taken to indicate only a minimal response to the crisis (no cuts in services)—we see that the Nordic region stands out, with 42 % of respondents (17 + 25) maintaining that no or only minimal measures needed to be taken, compared with 26 % in the Anglo-Saxon ones, 25 % in Eastern Europe, 27 % in the Germanic systems, and 25 % in the Napoleonic states. At 11 %, the Icelandic figure stands out among the Nordics, however, indicating that the crisis was indeed taken seriously by the government.

In most countries decisions to make cuts were first taken in 2009–2010 and subsequent rounds of cutbacks followed as the fiscal crisis persisted. In the majority of European countries, the first cutback plans were met with protest and resistance from the political left, the trade unions, and other interest groups affected. In some countries cuts were postponed or planned for later years, as the crisis was believed to be short-lived (Kickert et al. 2015). However, once cutbacks have to be made, the first choice is between proportional cuts across the board and targeted cuts according to political priorities. The former may be seen as a typical incremental approach, whereas the latter reflects an attempt to combine cutbacks and reform. The thesis advanced by Kickert et al. (2013) is that targeted cuts become more common as the crisis grows deeper. This seems to be broadly supported by the data. Comparing the proportion of respondents selecting targeted cuts with the depth of the crisis across countries we get a significant correlation (Pearson’s $r = 0.52^*$). The question is, however, whether we should also expect the ratio of targeted cuts to proportional

ones to grow higher as the crisis grows deeper. The logic behind such an interpretation would be that insofar as cuts were required the default approach should be incremental (proportional cuts), while a more targeted one emerges only as the crisis grows deeper. Interpreted in this manner the thesis gets much less support from the data. Across Europe there is only a weak and insignificant correlation between the targeted-proportional ratio and the depth of the crisis (Pearson's $r = 0.20$).

Moreover, the use of targeted cuts in the Nordic countries was surprisingly common considering the relatively mild crisis the four of them experienced. Even more surprising is the serious anomaly in the relative frequency of targeted cuts in crisis-free Norway compared with crisis-ridden Iceland, where proportional cuts are predominant. This seems to indicate that the depth of the crisis was not the only factor determining the choice of cutback strategy. An alternative approach is to study the political-cultural and institutional context in which the crisis occurred. Context may constitute an intervening factor between the crisis and the response to it. The Nordic countries are often associated with a consensual and deliberative political culture, which is likely to influence the way crises are dealt with (Anton 1969; Elder et al. 1982; Katzenstein 1985). Policy decisions are thought to be preceded by careful analysis, widespread consultations, and an emphasis on achieving consensus (Richardson 1982). Less consensual systems are likely to be less inhibited in their approach to public policy and may experience a greater degree of conflict.

The COCOPS data indicate that cutback strategies in the Nordic countries are not only targeted but also more oriented towards public sector rationalization than elsewhere. A commitment to rationalization and increasing productivity in the public sector (Dunleavy and Carrera 2013) should result in an emphasis on manpower cuts rather than defending unproductive sections of the public sector across the board through wage cuts. Such a strategy would be in line with the rationalizing ethos of the Nordic public sector. Pay cuts on the other hand may be seen as a way of avoiding rationalization and sharing the burden of cutbacks among employees without discriminating between efficient and inefficient parts of the operation. In Table 9.2 we examine the relative weight of manpower cuts, wage cuts, and program cuts on the basis of the COCOPS survey. The question used (Q 21) is: "In response to the fiscal crisis, to what extent has your organization applied the following cutback measures?"

Table 9.2 suggests a different order of priorities for cutback management in the Nordic countries compared with the rest of Europe. In the Nordic countries (with the exception of Norway) manpower cuts were relatively

Table 9.2 Proportion of respondents maintaining their organization has used manpower cuts, wage cuts and programme cuts to a high degree. Percentage

	<i>Manpower cuts used to a great extent</i>	<i>Wage cuts used to a great extent</i>	<i>Program cuts used to a great extent</i>
Nordic countries	30	7	35
Denmark	49	3	34
Finland	46	2	48
Iceland	36	30	69
Norway	3	0	4
Sweden	16	0	18
Anglo Saxon	39	49	56
East European	27	29	34
Germanic	10	8	35
Napoleonic	10	50	54
Total	24	25	40

Question: “In response to the fiscal crisis, to what extent was your organization applied the following cut-back measures”

Scale: 1 (not at all) to 7 (to a great extent). Proportions in the table refer to respondents choosing options 5–7. Included in the calculations are respondents who in question 20 reported that no approach was required and instructed to bypass this question—they form part of the respondents not reporting great use the cutback measures in question. Manpower cutbacks include staff layoffs and hiring freezes, wage cuts include pay cuts and pay freezes and programme cuts include cuts to existing programmes and postponing or cancelling new programmes.

common, even though they were less hit by the crisis than the rest of Europe. Wage cuts, on the other hand, were rare except in Iceland, which relied on a broader range of cutback measures than the others. Program cuts were also widely used in the Nordic countries (except in Norway) although on the whole such cuts were below the European average.

STRUCTURAL EFFECTS AND CENTRALIZATION

The theme of public sector control has received increasing attention in the post-NPM phase of public sector reforms. According to Dahlström et al. (2011, p. 266), the move towards tighter political control has been strongest in states with a traditionally non-politicized center, such as the Scandinavian and Anglo-Saxon ones.

According to our second hypothesis, a deeper crisis should lead to greater centralization. Data from the COCOPS survey indicate support for this hypothesis. By comparing evaluations of crisis consequences between

European states we find that the deeper the crisis, the greater the tendency towards increasing the power of the Ministry of Finance ($r = 0.51^*$), centralizing decision-making within organizations ($r = 0.56^*$), and increasing the decision-making power of politicians ($r = 0.68^{**}$). Targeted cuts go hand in hand with a greater role for politicians ($r = 0.65^{**}$). Interestingly, this tendency is more pronounced in centralized than in decentralized systems. Using a combined indicator of public servant autonomy² we find that greater autonomy goes hand in hand with a smaller increase in organizational centralization ($r = -0.57^*$) and smaller increase in politicization ($r = -0.78^{***}$). This seems to run counter to the expectations of Dahlström et al. (2011, p. 266) who maintain that the move towards tighter political control has been strongest in states with a traditionally non-politicized center, such as the Scandinavian and Anglo-Saxon ones.

As far as the Nordic countries go the pattern is slightly more complicated than for Europe as a whole. Predictably, Norway, which escaped the crisis to a large extent, increased the power of the Ministry of Finance less than the others, experienced less organizational centralization and a very small degree of politicization. In the other Nordic countries the power of the Ministry of Finance increased, although least of all in crisis-ridden Iceland. Centralization within public sector organizations in the Nordics increased relatively little compared with other parts of Europe, with the exception of the Germanic states. The trend towards politicization in the Nordic countries, according to this data, is fairly weak and on the whole much weaker than elsewhere in Europe. Centralization of decision-making occurs in general during times of retrenchment because the organizational subunits are unlikely to volunteer for cuts and they tend to believe they have exceptional characteristics not suitable for cuts. Hence, top-down processes are at times essential for the achievement of systematic spending cuts. (Kickert and Randma-Liiv 2015) Table 9.3.

While these results should be approached with caution it seems that the crisis has brought a certain degree of structural change in the Nordic public sector. This trend is, however, not strong compared with other parts of Europe—only the Germanic countries experienced less centralization. The Nordic systems were relatively decentralized and non-politicized before the crisis and remain so. In fact, the crisis may have increased the distinctiveness of the Nordic systems in that they experienced only an average increase in the power of the Ministry of Finance, a small degree of centralization of decision-making within organizations, and less politicization than most other systems in Europe.

Table 9.3 Crisis consequences in means

	<i>Power of Ministry of Finance increased</i>	<i>Decision making in org. centralized</i>	<i>Power of politicians in decision making increased</i>
Nordic countries	5.5	4.4	3.6
Denmark	5.8	5.0	3.1
Finland	5.6	4.8	4.0
Iceland	5.1	4.1	3.5
Norway	4.7	3.4	3.1
Sweden	5.9	3.9	3.1
Anglo Saxon	6.0	5.3	4.2
East European	4.9	4.8	4.2
Germanic	5.1	4.3	3.7
Napoleonic	5.8	5.0	4.5

Question: “As result of the fiscal crisis:” Country means (1 = strongly disagree, 7 = strongly agree)

EFFECTS OF THE CRISIS ON REFORM OUTCOMES

The results of the COCOPS survey along with macro-economic indicators provide an excellent opportunity to test whether reforms during times of crisis are likely to be successful or not. The indicators selected—unemployment and government debt—should give a broad indication of the depth of the crisis for all the countries. This forms an important contextual background as the size of the economic and fiscal crisis is likely to affect how successful the consolidation measures were. Even though all countries faced the same storm of economic and fiscal crisis, the contextual factors that define the depth of the crisis and hence shape the response(s) are vastly different owing to country-specific features (Pollitt 2010).

We have already seen that the crisis affected reform agendas in that efforts to introduce targeted cuts became more pronounced as the crisis grew deeper. The question remains, however, whether the windows of opportunity opened by the crisis also contributed to favorable reform outcomes. In a section of the COCOPS questionnaire dealing with “Public sector reform and the fiscal crisis” (part III) respondents were asked to evaluate how the crisis had affected the administration. Among the items included under this heading was a question asking respondents to evaluate whether public sector reforms in their policy area tended to be unsuccessful or successful. Answers were given on a scale from 1 (unsuccessful) to 10 (successful).

In Fig. 9.2 we compare our indicator (reflecting government debt and unemployment) to the outcome of reform efforts. The results suggest that a deep crisis is not associated with successful reforms.

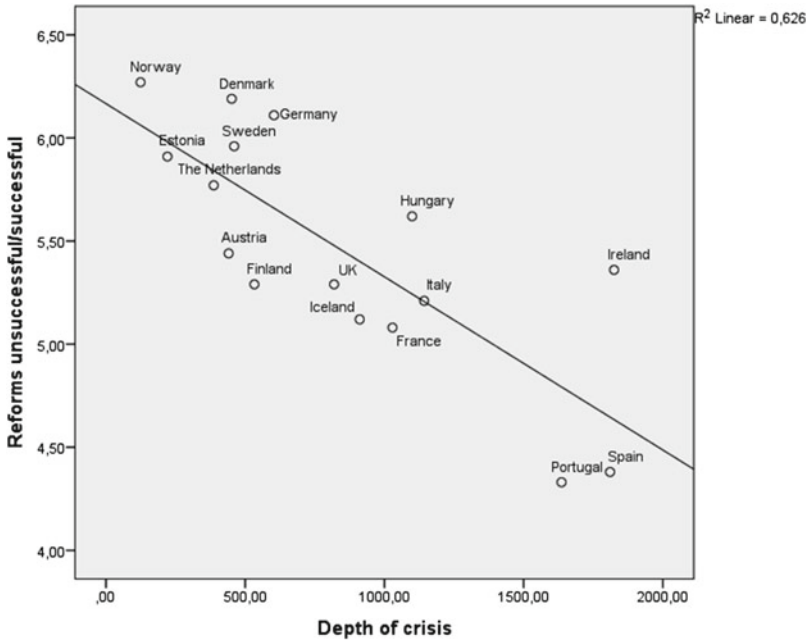


Fig. 9.2 Success of reforms and depth of crisis in COCOPS countries

The short time span between the onset of the crisis and the evaluations of success in the COCOPS survey calls for a cautious interpretation. As far as they go the data indicate that the deeper the crisis, the less likely countries are to achieve positive results from their reform programs. The explained variance amounts to 63 %, and despite the small number of cases it is highly significant statistically ($p < 0.001$). Thus, it seems that the reform agenda as measured by the perceived importance of reform trends has a much smaller influence on the outcome of administrative reforms than the actual resources and other conditions available for their implementation.

ICELAND: THE “ANOMALY” AMONG THE NORDIC COUNTRIES

Four of the Nordic states (all except Iceland) were able to rely on traditional modes of policy-making to deal with the crisis. The approach remained in line with the traditional decision-making style which—as Ringen et al.

(2014, p. 24) put it in the Norwegian case—is “careful, deliberate, consensual and slow.” This does not mean that the Nordic governments did not have strong reform agendas. They have, in fact, been receptive to international trends in public management, including both New Public Management and the various ideas which succeeded it, such as more “joined-up” government, more public consultations, and e-government. But continuing reforms in the public sector are basically business as usual and not specifically a response to the crisis (see also Chaps. 3, 6, and 7).

Parts of the crisis management literature emphasize the importance of traditional modes of policy-making when dealing with a crisis. The main task of crisis management is to minimize damage, which—according to Boin and ‘t Hart (2003, p. 459)—requires the “reaffirmation of existing values and structures”. Key features of dealing with the crisis in the four less-affected Nordic states included well-tested measures, such as a flexible labor market policy, a high level of social security, and fiscal responsibility. The combination of flexible labor market policies and social security—sometimes called “flexicurity”—allows economic rationalization to take place while every effort is made to prevent the emergence of structural unemployment or poverty traps. Thus, layoffs may take place to a certain extent but a combination of measures is used to stimulate renewed employment and adaptability of the labor force. Fiscal responsibility is also a common priority of the four Nordic states, which all enjoy good medium- to long-term prospects in that area even if public expenditure is relatively high. Fiscal responsibility means keeping a tight budget across the board, prioritizing policy areas in accordance with government policy, and seeking efficiency gains through a broad range of management techniques. In some cases it may lead to less generous programs. There are concerns, for example, in all the Nordic countries that retirement schemes will have to become less generous. Radical plans for downsizing the welfare system, however, are not on the agenda and considered electorally risky. A strong tradition of regulatory impact assessments in the four countries may also dampen enthusiasm for fiscal measures which aim simply to make budgets look good by transferring costs elsewhere. Public sector rationalization, e.g. through mergers of ministries, agencies, and municipalities, remain on the agenda although these are not necessarily related to the crisis directly.

Iceland constitutes an interesting contrast to the others in several respects other than the fact that it was more severely hit by the crisis. Public policy generally lacks the analytical depth sometimes reached in the other countries, and the consensus tradition characteristic of the region as a whole is

weaker in Iceland (Kristinsson 2013; Jónsson 2014). Majority, two-party coalition governments have prevailed for most of the time since 1991 and the minority in parliament has little recourse to veto powers other than the rather double-edged tool of filibustering. Nevertheless, the cabinet and the executive in general have far less control over the policy process than is common in the other Nordic states. The ministries are weak vis-à-vis parliament and their capacity for inter-ministerial co-ordination and control over agencies is relatively small (Samhent stjórnarsýsla 2010). This means that policy preparations are often less considered than would be normal in the Scandinavian context and implementation less predictable.

The Icelandic response to the crisis had two components which seem to distinguish it from the Nordic model. In the first place it relied heavily on the traditional Icelandic mechanism for dealing with economic fluctuations, namely a drastic devaluation of the currency, which led to a severe reduction in real wages of almost 12 % and to more than 12 % annual inflation in 2008 and 2009. As private debt in Iceland is generally indexed (payments increase with inflation)—and in some cases even pegged to foreign currencies prior to the crisis—this led to serious financial difficulties for many families, especially first-time home buyers. Thus, the government came into serious conflict with debtors on the one hand and the labor unions on the other. Its intention to create a Scandinavian-style “stability contract” with the labor market partners proved short-lived and its support packages for indebted homes were widely seen as inadequate. Drastic reductions in living standards were a key element in the Icelandic response to the recession, very much in line with the traditional Icelandic approach to recessions but very different from the Scandinavian emphasis on “flexicurity.”

Secondly, the government relied to a unique extent on proportional cuts across the board, thus avoiding to some extent the difficult task of prioritizing and targeting. The practice of relying on proportional cuts in the budget process has often been criticized by the national auditor and various commentators on the budget process. Despite intentions to the contrary after the crash, targeting and prioritizing seems to have taken place to a far lesser extent than might have been expected given the seriousness of the crisis. Tentatively, we can offer two hypotheses as to why this remained the case. On the one hand, the political turmoil following the crash made any attempt at radical re-distribution between budget priorities highly risky, giving the government good reason to pause before attempting any major reconsideration of priorities. On the other,

the relative weakness of the ministerial level in the administrative system is reflected in the budgetary process in lack of capacity for prioritizing (Kristinsson 1999). The ministries often have rather limited insight into the work carried out in the agencies and weak capacity for effective control. This is reflected in the COCOPS data, among other things in the large degree of agency autonomy reported in Chaps. 4 and 8.

CONCLUSION

We started out with three hypotheses derived from the literature on crisis management concerning the impact of the crisis on public administration. The idea was to explore how far the scope of the crisis provided a satisfactory account of crisis response and how far country- or region-specific characteristics needed to be taken into account. This reflects two different but possibly complementary approaches to studying the effects of crisis on public administration. One is concerned with its direct impact, including depth, duration, and sectors affected. The other is concerned with the environment, including the social and political context, as states and societies may be variously prepared to handle crises. While the Nordic region as a whole was rather mildly affected by the crisis, there were significant variations between countries. Thus, Iceland was among the European countries most severely affected by the crisis while Norway was probably the least affected of all. Denmark, Finland, and Sweden took an intermediate position, although they were closer to Norway than to the crisis group to which Iceland belonged.

The first hypothesis concerned the effects of the crisis on the reform agenda. According to H1, crisis response is determined by the scope of the crisis, that is, less incremental and more targeted as the crisis hits harder. The analysis for the COCOPS countries on the whole supports this thesis in the sense that the use of targeted cuts as opposed to more incremental ones is significantly related to the depth of the crisis. If we only consider the ratio of targeted to proportional cuts the relationship tends to disappear. Similarly, if we consider the Nordic countries we find that their use of targeted cuts is surprisingly common, considering the relatively modest crisis they experienced. This applies to Norway in particular, which used targeted cuts to a considerable extent despite avoiding the crisis for the most part. Iceland, on the other hand, relied primarily on proportional cuts, despite a crisis far more serious than in the other Nordic countries. Thus, there seems to be a country-specific factor at work apart from the crisis experience itself. We suggest that the Nordic countries tended to

resort to traditional modes of policy-making when dealing with the crisis. In the four states less affected this included a slow but highly deliberative mode of decision-making aiming to maintain a balance between public sector performance and efficiency. In the Icelandic case an all-out incremental approach was dominant, much in line with the traditions of the system. Although the results are suggestive rather than conclusive, the evidence presented indicates that the typical Nordic approach of combining rational policy and consensus has contributed to a targeted approach to challenges and an emphasis on productivity increases instead of merely cuts, reaffirming their commitment to *flexicurity*.

Our second hypothesis concerned the impact of the crisis on the administrative structure. According to H2, the deeper the economic and financial crisis, the greater the degree of centralization in public administration. Country-level comparisons in Europe indicate support for this hypothesis. The deeper the crisis, the more the power of the Ministry of Finance increased, the more centralised the decision-making within the organization became, and the greater the tendency to increase the decision-making power of politicians. The Nordic countries, however, present a slightly more complicated pattern. They are among the least centralized states in Europe and can be broadly characterized as non-politicized, despite some variations in that respect. Although they have experienced some tendencies towards centralization in the wake of the crisis, such tendencies are not strong compared with other European states, and the trend towards politicization is weaker than elsewhere. Thus the main effect of the crisis may, in fact, have been to increase the distinctiveness of the Nordic state administrations compared to the rest of Europe.

Finally, our third hypothesis concerned the effects of administrative reforms undertaken during the crisis. According to H3, the crisis is not associated with successful reforms: the deeper the crisis the smaller the expected success of administrative reforms. Country level comparisons across Europe indicate strong support for this hypothesis, although the long-term effects are yet to be seen. The deeper the crisis, the less successful public sector reforms are perceived to be by COCOPS respondents. Thus, severe crises appear not to make ideal reform situations. Limited time and resources are likely to affect decision-makers negatively and reduce the effectiveness of reforms. Furthermore, the experience of the Nordic countries shows that crises are not necessary conditions for attempting to implement well-targeted and effective reforms with comparatively favorable outcomes.

The gist of our analysis is that while the scope of the crisis has a major influence on how it is managed, country- or region-specific factors matter as well. Despite a relatively mild crisis, the Nordic countries displayed an aptitude for non-incremental policy-making within a decentralized system of administration which seems to be based on a strong emphasis on deliberation and consensus-building. Relatively successful handling of the crisis seems to have strengthened this model and—with the exception of Iceland—even increased the distinctiveness of the Nordic countries in a comparative European perspective.

NOTES

1. Included in Fig. 9.1 are those COCOPS countries for which comparable figures were obtainable. Country level comparisons involving depth of the crisis are based on these. *Source:* Author's own compilation.
2. The index of autonomy is constructed as the means of the eight autonomy decisions measured in Q6, i.e. with regard to budget allocations, contracting out, promotions, hiring, dismissals, changes in organizational structure of (own) organization, policy choice and design and implementation.

The Nordic Model Revisited: Active Reformers and High Performing Public Administrations

Carsten Greve, Per Lægveid, and Lise H. Rykkja

INTRODUCTION

This book has focused on the Nordic countries' public administrations and taken a closer look at the reforms launched in those countries in recent decades. The reform impulses have come from many directions and taken many different forms. The Nordic countries have been influenced by various governance ideas—characterized as New Public Management (NPM), New Public Governance (NPG), Neo-Weberian State (NWS) and post-NPM. A central question is whether the current state of the public sector can be described as post-NPM or whether and to what extent other reform elements and governance ideas are present.

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It is worth putting the Nordic countries' reform experience into the context of international public management reform, not least because of the positive reputation the Nordic countries enjoy in the international community in this respect. We have therefore asked: How do the Nordic reforms fit into the international public management reform debate?

The *first generation* of “modern” reforms began back in the 1980s. It is generally accepted that it was Hood (1991) who coined the term NPM to capture the essence of the reforms taking place in the Anglo-Saxon countries, with their emphasis on market-based mechanisms and management practices from the private sector and their overall focus on the role of incentives. Although the Nordic countries launched a number of reform initiatives during the 1990s, the general impression was that they were “reluctant reformers” (Christensen and Lægheid 2001; Olsen 1996) that had not signed up whole-heartedly to NPM. Put quite simply, the Nordic countries did not marketize or privatize as much as classic NPM countries like Australia, New Zealand, and the UK, although they did introduce some contracting out and privatization of some state-owned enterprises. The “reluctant reformer” tag became the most common narrative used to describe the Nordic countries' reform efforts.

Some research on public management reforms in the Nordic countries in the 1990s painted a more nuanced picture, however. Lægheid and Pedersen's (1999) study on organizational changes in Denmark, Norway, and Sweden provided a more detailed account of the reform and change processes, showing that the public sectors in these countries were in fact being changed and were not resistant to change overall. In other words, although they were somewhat resistant to a radical version of NPM, they were not against reforms as such. Lægheid and Pedersen concluded their 1999 book (see pp. 345–347) with the following observations:

- (1) Reforms were not just empty talk, and substantial changes in the organizational structures had in fact been achieved. Indeed, central administrations in the three countries experienced a process of continuous change throughout the post-war period. Not all organizational changes could be traced back to a specific reform, however, and not all reforms produced visible changes.

- (2) Policies for organizational change were gradually introduced and implemented from the 1980s. The specific historical-institutional features of each country's principles for structuring public sector organizations remained relatively untouched, however.
- (3) Changes became more complex and organizational structures more fragmented as a result.
- (4) Each country developed its own particular version of a public management policy. The largest differences were between Denmark (which took a looser and more fragmented approach with a focus on continuing changes) and Sweden (which took a more analytical and evidence-based approach) with Norway somewhere in between. Public administration traditions followed paths that had been laid decades ago, so generally the countries' public sectors did not lose their historically-based profiles.

The *second generation* of reforms began around 2000, when NPM-based reforms were further developed but also supplemented or challenged by network and wider governance principles. NPM probably reached its high point in terms of achievements and adoption by governments in the early 2000s. By then, the Anglo-Saxon countries had already seen two decades of NPM reforms. The United States, for example, had pursued the "Reinventing Government" program under the Clinton administration during the 1990s, setting out to create a government that "worked better and cost less" (NPR 2001). Both contracting out and performance management continued under the Bush administration in the 2000s. At the same time, governments were facing the challenge of too much fragmentation after larger organizational units had been split up into result-based smaller entities (Bouckaert et al. 2010; Pollitt and Bouckaert 2011). Gradually, it came to be recognized that not all problems could be solved via marketization and management practices from the private sector. Central decision-makers as well as public administration scholars argued that more cooperation and collaboration were needed to solve so-called "wicked" public policy problems (Head and Alford 2015). Network governance and a wider governance ambition became the order of the day, and governments began to take networks and whole-of-government solutions more seriously. In the UK the Blair government introduced "joined-up government" from 1998 onwards. The terms network governance (see Klijn and Koppenjan 2015) and the New Public Governance (Osborne 2006, 2010) were both used to capture this movement. Kettl (2002)

talked about “the transformation of governance” whereby the traditional national public sector was challenged simultaneously by globalization and local developments.

Research on the Nordic countries’ in this period likewise revealed that their public sectors were changing. Based on analyses of Finland and Sweden as part of their twelve-country study, Pollitt and Bouckaert (2011) dubbed the Nordic countries “modernizers.” Their assessment was that the Nordic countries were no longer “reluctant” reformers but instead were keeping pace with the times, albeit choosing their own pragmatic and more middle-of-the-road solutions and continuing to reject the more radical marketization experiments. The Nordic countries were mainly concerned with developing practical performance management systems that could keep track of public spending in a high-tax situation. As such, performance management systems serve a key function in the Nordic welfare states, because both citizens and the media take a great interest in whether tax-payers’ money is being spent wisely and correctly without fraud.

In their book *Transcending New Public Management*, Christensen and Lægreid (2007b) used the term “post-NPM” reforms to analyze what was going on in the Nordic countries. They concluded that the Nordic countries never really took on board a radical version of NPM, but instead moved beyond it. This was a time when cross-boundary networks and governance structures were becoming more common, but instead of declaring the Nordic countries as network states per se, scholars coined the term “post-NPM” reforms in a bid to understand the second phase of reform efforts.

The current *third generation* of reforms reflects the successes and failures of the reforms of previous decades. It emphasizes more state-centered solutions while acknowledging the mix of governance mechanisms and institutional complexity that characterize the public sector today. Reform ideas and practice are not perceived as neat or as easy as they might once have seemed when NPM first saw the light of day. Today’s reforms are more nuanced and layered and their outcomes more complex. There are many reforms but little knowledge about their effects (Hammerschmid et al. 2016), and there are many more reform actors on the stage as international reform actors (the OECD, the World Bank, consultancy firms) and other public organizations pursue their own strategies and reform activities in addition to national governments. What is more, reform is not limited to the traditional welfare state activities such as health, education, and social welfare. Other policy areas (such as internal security, the police, immigration, the environment, public transportation, and the military)

are now also being addressed and reformed. Digitalization, urbanization, and globalization are also major reform trends that may have a considerable impact on the way the public sector is being run.

Key terms used by the scholarly community studying reforms include the concept of the Neo-Weberian State (NWS) (Pollitt and Bouckaert 2011), in which the traditional Weberian bureaucracy has been supplemented by performance management and user participation but also by “whole-of-government” or “holistic government” reforms (Christensen and Lægread 2007a). Generally speaking, Europe’s governments are tending to favor centralized solutions again. There is a renewed demand for centralization, integration, state capacity building, and Weberian public administration principles. The question remains, however, whether this “back-to-the-state” approach is realistic given the challenges of Europeanization, globalization, digitalization, and the host of “wicked” public policy problems facing us today. Take the refugee crisis in Europe, for a start. A more likely interpretation is that both policy challenges and public management reform solutions are becoming more intertwined and complex. One governance idea (NPM) is not simply being swept away and replaced by another idea (post-NPM, NPG, or NWS). Using a historical institutional lens, we propose that an institutional “layering” approach (see Streeck and Thelen 2005), emphasizing that an institutional ensemble of “solutions” is being developed gradually and over time in a context-dependent fashion, better captures the situation.

PERFORMANCE

A pending core question is to what extent the reform initiatives have improved the performance of public administrations, in both the Nordic countries and in the rest of Europe. This is a difficult question to answer, but one way of addressing it is simply to ask top administrative executives how they perceive the situation. To this effect, the COCOPS survey included a question asking: “*Compared with five years ago, how would you say public administration has changed in your country?*” The respondents were asked to indicate their views on a scale of 1 (worse) to 10 (better).

Differences Between Families of Countries

Overall, the Nordic countries report improvements in performance over the past five years rather than deterioration (Table 10.1). At the same

Table 10.1 General perceived performance development of the public administration the last five years in means

<i>Anglo-Saxon Europe</i>	<i>East Germanic</i>	<i>Napoleonic</i>	<i>Nordic</i>	<i>Denmark</i>	<i>Finland</i>	<i>Iceland</i>	<i>Norway</i>	<i>Sweden</i>	
5.5	5.8	5.6	5	6.1	7.1	5.6	5.6	6.6	6.5

Question: "Compared with five years ago, how would you say things have developed when it comes to the way public administration runs in your country?" Scale: 1–10 where 1 = Worse, 10 = Better

time, most respondents chose the middle, more neutral values, reflecting that the success or failure of public administration over the past five years is hard to assess. The Nordic countries score higher than the other European families, especially compared with the Napoleonic countries (see also Huxley et al. 2006). As was the case when we looked at reform processes, trends, and reform content (Chap. 6), we again see a North-South divide. It is, however, important to keep in mind that the starting point was different in the different families of countries. Some countries, such as the Eastern European countries, started from a low level of performance. The improvements they have seen over the past five years therefore might be perceived as good even though they have not yet come as far as the West European countries. The Nordic countries, by contrast, started with a high level of performance, yet their executives saw a greater improvement in public administration than executives in the rest of Europe. It is also interesting to observe that the Anglo-Saxon countries, known to have pursued NPM more aggressively, reported significantly less improvement in performance than the Nordic countries.

Our data also show some interesting variations within the group of Nordic countries. Top administrative executives from Denmark had the most positive view of the performance of the public administration over the past five years. At the other end of the scale we find Iceland and Finland, whereby the former was much worse hit by the financial crisis than the others (see Chap. 9). In contrast, Norway, which to a great extent avoided the financial crisis, scored high on perceived improvement in performance, but lower than Denmark.

The Relationship Between Reform Trends and Performance

It is difficult to draw conclusions about the relationship between the perceived importance of reform trends and perceived performance based only

on one data source. A simple bivariate analysis shows that there are statistically significant correlations between most of the reform trends and the perceived improvement of performance across Europe, although most of them are not very strong (Huxley et al. 2016). In the Nordic countries the significant correlations between reform trends and perceived performance are most frequent in Norway and Finland and least so in Denmark and Iceland, with Sweden in-between.

Looking at the different reform trends, downsizing seems to have a negative impact on perceived performance in Denmark and Sweden, in contrast to Finland where the relationship is the other way around. In Sweden the strongest positive correlation is with e-government, indicating that when e-government is important the perception of performance goes up. In Norway, outcome and result orientation, collaboration and cooperation, and transparency yield the strongest positive correlations.

A further interesting observation is that overall, typical NPM reform trends such as privatization, contracting out, and agencification do not seem to have any significant effect on perceived performance in most Nordic countries. Mergers seem to make a difference in Iceland, and customer orientation in Finland.

Overall, the findings indicate (see Table 10.1) that the perceived performance of public administration by senior executives is, at least to some extent, dependent on administrative traditions. The Napoleonic countries emphasize fewer important reform trends and perceive performance improvement as more limited, while the Nordic countries (with the exception of Iceland) generally report improved performance. To what degree this can be seen as a direct *effect* of different reform trends is debatable and hard to measure. Therefore, we cannot really say whether these reforms have had any linear effect on perceived performance.

Assessing Performance Along Different Dimensions

Public administration faces several partly opposing goals and values. The NPM reform movement assumed that the reforms would enhance efficiency without having negative side-effects on other goals and values, such as service quality and fairness. Later on, other reform elements, such as collaboration and cooperation across policy sectors, mergers between government organizations, and transparency became more important as governments tried to counter some of the perceived negative effects of NPM.

Measuring different performance dimensions can add a more nuanced approach to the question of how reforms affect performance (Table 10.2). How do top executives assess performance along different dimensions? Have they deteriorated or improved over the last five years? Our data show that there is a cluster around the medium scores, indicating that public administration performance has been rather stable over the last five years. On average, we see more improvement than deterioration, however. The top executives in the Nordic countries see the most positive development in terms of improved cost and efficiency, service orientation, transparency, fair treatment, and ethical behavior. The reforms do not seem to have eroded traditional public sector values, and perceptions of the development of both efficiency and service quality are in fact quite positive.

Comparing the Nordic countries with the other European families of countries we, first, see a significant difference when it comes to trust in government, the attractiveness of the public sector as an employer, and staff motivation and attitude to work. Along these dimensions the scores in the Nordic countries are generally much higher, indicating more improvement. The only exception is Eastern European countries when it comes to attractiveness of the public sector as an employer, which is at the same level as the Nordic countries. Second, there is a distinct North-South divide, not only when it comes to trust in government, attractiveness, and staff motivation, but also regarding service quality, transparency, social cohesion, and fair treatment. On all these dimensions the Napoleonic countries have tended to deteriorate. On other dimensions, such as efficiency, service quality, innovation, policy effectiveness, policy coherence and coordination, citizens' participation, internal bureaucracy and red tape, ethical behavior, and equal access to services there is no significant variation between the Nordic countries and the other European families.

Overall, there seems to be a strong similarity across the Nordic countries when it comes to assessing the development of performance along most dimensions. Most see improvements and there is, in general, little variation between them. The only exception is Denmark, which scores higher on improvement in terms of cost and efficiency as well as on internal bureaucracy and red tape, and Iceland, which scores low on trust in government and attractiveness of the public sector as an employer. This last finding is probably related to the impact of the financial crisis in Iceland (see Chap. 9).

Table 10.2 Perceived performance of the public administration on different dimensions over the last five years in means

	Anglo-Saxon	East Europe	Germanic	Napoleonic	Nordic	Denmark	Finland	Iceland	Norway	Sweden
Cost and efficiency	5.2	4.3	4.9	4.5	4.9	5.4	4.9	4.7	4.8	4.9
Service quality	4.8	4.8	5.1	4.3	4.8	4.7	4.8	4.6	5.1	4.9
Innovation	4.8	4.5	4.8	4.5	4.4	4.7	4.5	4.5	4.5	4.3
Policy effectiveness	4.6	4.2	4	4.1	4.4	4.7	4.4	4.4	4.4	4.5
Policy coherence and coordination	4.4	4	3.8	3.8	4.1	4.5	4.1	4.3	4.3	3.7
External transparency and openness	4.9	4.6	3.8	4.2	4.7	4.8	4.7	4.6	5.1	4.6
Citizen participation and involvement	4	3.9	4	3.7	4	4	3.9	3.8	4.2	4
Social cohesion	3.7	3.7	3.6	3.2	3.8	3.8	3.7	3.8	4.1	3.8
Internal bureaucracy reduction/cutting red tape	4.1	3.8	3.9	4	3.9	4.6	3.5	4.2	4.3	3.9
Ethical behavior among public officials	4.7	4.5	4.4	4.4	4.7	4.5	4.8	4.6	4.7	4.7
Equal access to services	4.5	4.6	4.4	4.3	4.5	4.4	4.7	4.6	4.7	4.2
Fair treatment of citizens	4.5	4.9	4.5	4.2	4.8	4.6	4.9	4.6	4.7	4.8
Staff motivation and attitudes towards work	3.5	4	4	3.3	4.5	4.4	4.6	4.4	4.7	4.4
Attractiveness of the public sector as an employer	3	4.4	3.7	3.3	4.4	4.1	4.6	3.6	4.6	4.4
Citizen trust in government	3.1	3.8	3.6	3.1	4.2	4.1	4.5	3.1	4.5	4.1

Question: "Thinking about your policy area over the last five years how would you rate the way public administration has performed on the following dimensions?"
 Scale: 1-7 where 1 = Deteriorated significantly, 7 = improved significantly

A NORDIC MODEL? THE EXTERNAL VIEW: DIFFERENT FROM OTHER EUROPEAN MODELS?

This section returns to the overall question of the existence of a Nordic model and summarizes the main findings from the previous chapters of the book. First, we address the similarities and differences between the Nordic model, on the one hand, and the Anglo-Saxon, the Germanic, the Eastern European, and the Napoleonic models on the other. Second, we examine the more specific similarities and differences within the group of Nordic countries.

Text Box 10.1 Characteristics of the Nordic countries compared to the rest of Europe

Main similarities

- Policy implementation autonomy is high
- A similar role understanding. Traditional roles linked to impartiality but also for performance orientation, collaborative roles and agenda setting roles
- A preference towards state provision versus market provision of services
- Work values are linked to common good (helping others, being useful for society) and professional tasks (interesting work, decision-making discretion)
- Privatization is a less important reform trend

Main differences

- The agencies have a stronger footing in the Nordic countries
- Managerial autonomy is stronger and politicization is weaker
- Equity values and support of following rules and tax financed services are stronger
- Transparency and digital government are stronger reform trends
- Downsizing is a weaker reform trend
- Management instruments related to economy (cost accounting systems, decentralization of financial and staffing decisions, performance related pay) are more used
- The Nordic countries have been less hurt by the financial crisis
- Perceived staff motivation and citizens' trust in government is seen as improved

Text Box 10.2 Characteristics of other country families compared to the Nordic countries

The Germanic countries

- More executives are trained in law, fewer women in senior positions
- Higher autonomy in policy design
- More bottom-up reform processes, but less public involvement
- Reforms are more partial, symbolic and more about cost-cutting
- Agencification is a more important reform trend
- Customer surveys, steering by contracts, performance appraisal talks and risk management are less used
- General performance development of the public administration is seen as somewhat lower
- Improvement of the attractiveness of the public sector as an employer is perceived as lower

The Anglo Saxon countries

- Autonomy in policy design is higher
- In favor of achieving results rather than following rules
- In favor of user charges than rather tax financed services
- Reform processes are more top-down, more crisis driven, more contested by unions, and there is less public involvement
- Reforms are more inconsistent, partial, and more about cost-cutting
- Contracting-out and agencification more important reform trend
- Codes of conduct more used and steering by contracts less used
- Weaker perceived increase in performance
- Less perceived improvement in the attractiveness of the public sector as an employer

The Napoleonic countries

- Managerial autonomy is seen as considerably lower
- Political influence in the recruitment of senior bureaucrats is higher
- The hierarchy is stronger and network arrangements are weaker
- Weaker customer orientation
- Reform processes are more driven by politicians, less planned, more contested by unions and there is less public involvement
- Reforms are more partial, more about cost-cutting and reforms and more often seen as too much

(continued)

Text Box 10.2 (continued)

- Collaboration and cooperation, result-orientation, cutting red tape, customer orientation, external partnerships, flexible employment and citizens participation are less important reform trends
- Downsizing is a more important reform trend
- Customer surveys, quality management, code of conducts and instrument related to steering (strategic planning, steering by contracts, management by objectives, performance appraisal talks and risk management) are less used
- The public sector reforms are perceived as less successful
- Weaker perceived increase in performance
- Less perceived improvement in service quality
- Less perceived improvement in attractiveness of the public sector as an employer

The East European countries

- Politicians respect the expertise of senior executives to a lesser degree
- Political influence in recruitment of senior bureaucrats is higher
- Instrumental work values (high income, job security, promotion, status) are more important

Reform processes are more bottom-up

- Reforms are more inconsistent, partial and symbolic
- Cutting red tape, external partnerships, flexible employment and citizens' participation are less important reform trends
- Instruments related to steering (strategic planning, steering by contracts, management by objectives, performance appraisal talks and risk management) are less used
- The public sector reforms are perceived as less successful
- Less perceived improvement in cost and efficiency

A main conclusion is that there are more differences than similarities between the Nordic group of countries and the other European country families. The differences are larger compared with some European families of countries than others. A clear North-South divide in Europe is evident, and the Nordic countries differ from the Napoleonic countries along several dimensions. They have stronger managerial autonomy, their administrations

are less politicized, and coordination by hierarchy is weaker. The Nordic administrative top-level executives share some role understanding, public service-related value trade-offs, and motivations that separate them from the executives of other European countries. Reform processes in the Nordic countries are less driven by politicians, more planned, and less contested by the unions, and there is more public involvement. Collaboration and cooperation, result-orientation, cutting red tape, customer orientation, external partnerships, flexible employment, and citizen participation are more important reform trends in the Nordic countries than in the Napoleonic countries. Downsizing is less important and customer orientation more important. Customer surveys, quality management, codes of conduct, and steering instruments (strategic planning, steering by contracts, management by objectives, performance appraisal talks, and risk management) are used more often. Also, the public sector reforms are in general perceived as more successful in the Nordic countries, and the perceived improvement in overall performance of the public administration is higher, especially when it comes to service quality and the attractiveness of the public sector as an employer.

How can we understand these similarities and differences in perceptions of reform trends and performance? Pollitt and Bouckaert (2011) postulate certain links between countries and models of politico-administrative regimes and reforms. They link NPM mainly to Anglo-Saxon countries and NWS mainly to Nordic countries but possibly also to Germanic and Napoleonic countries with their greater emphasis on traditional public administration. But these links are also complicated by the fact that the different reform trajectories are not mutually exclusive and some reform means and measures can be linked to different reform trends. NPG cannot easily be linked to any fixed group of countries as it is too general an approach. Eastern Europe is also difficult to place in relation to these general concepts since these countries are still transforming their political and administrative cultures.

Our research results seem to confirm some of these links. The role understanding of Nordic senior executives differs from that of their European colleagues in that their performance role orientation is clearly strongest and traditional role orientation is also quite strong. This is consistent with the assumed link to the NWS model, which includes elements of both traditional public administration and NPM. However, the collaborative and agenda-setting roles of Nordic senior executives are neither strongest nor weakest compared with other countries. In this sense, the Nordic tradition provides space for the consensual and participatory elements of the NPG model.

In public service-related value-tradeoffs, Nordic respondents emphasize equity, following rules, and tax-financed services as opposed to efficiency,

achieving results, and user fees. The Nordic countries share value preferences with Eastern Europe more than with other regions, both emphasizing the principles of NWS in this respect. Task-related motivation is strongest in the Nordic countries and instrumental motivation among the weakest. Given the proposed links of these orientations with NPM, NWS, and NPG, we may conclude that the Nordic countries are relatively robust in their articulation of the principles of NWS, including the performance orientation originating from the NPM model, and moderate in applying the principles of NPG.

Compared to most other European families of countries, there is more public involvement in the reform process and the reforms are more about service improvement than about cost-cutting in the Nordic countries. Overall, the reforms are also seen as more comprehensive. Transparency and digital government are seen as more important reform trends than in the rest of Europe. Regarding management instruments, the verdict was that the Nordic countries stand out compared with other groups of European countries. In that respect it is relevant to talk about a Nordic model. The Nordic countries use a broad variety of instruments and especially those related to steering. The Nordic countries together with the Germanic countries perceived the reforms as most successful.

The findings must be seen as partly affected by the financial crisis that struck Europe a few years before the survey was conducted. The results for continental Europe suggest that the impact of the financial crisis was very severe. Many countries had to take drastic measures to combat the crisis. With a lack of institutional autonomy and a centralized decision-making process, many European countries followed the traditional austerity route, introducing drastic actions and specific cuts. In Central Europe, the Germanic countries were probably the ones least affected by the crisis, and thus their response was quite similar to that of the Nordic countries. In contrast, the Napoleonic countries were strongly affected by the financial crisis.

The evidence presented indicates that the typical Nordic approach of combining rational policy and consensus contributes to a targeted approach to challenges and an emphasis on productivity increases rather than cuts, reaffirming their commitment to *flexicurity*—that is a combination of flexible market policies and social security. Severe crises do not appear to make ideal reform situations. Limited time and resources are likely to affect decision-makers negatively and reduce the effectiveness of reforms. The experience of the Nordic countries shows that crises are not necessary conditions for attempting relatively well-targeted and effective reforms with comparatively favourable outcomes.

A NORDIC MODEL? THE INTERNAL VIEW: SIMILARITIES BETWEEN THE NORDIC COUNTRIES?

In the following, we address the similarities and differences between the five Nordic countries.

Text Box 10.3 Main similarities between the Nordic countries

- Vertical and horizontal coordination coexist
- A mixed, but common role understanding (traditional as well as performance orientation, collaboration and agenda setting)
- Public service orientation (quality over efficiency, rule following over achieving results, customer focus over citizen orientation)
- Professional tasks are seen as important (incl. interesting work, decision-making discretion),
- Usefulness for society is highly valued
- Similar reform trends regarding citizens participation, mergers, contracting out and privatization

Text Box 10.4 Main differences between the Nordic countries

Denmark

- Low level of politization (Politicians have high respect of bureaucratic expertise and they seldom influence senior level appointments)
- More support for market orientation and user charges
- Job security and opportunity to help others seen as less important
- Reform processes seen as more bureaucrat-driven and less public involvement
- More consistent and comprehensive reforms
- Transparency, cutting red tape, and flexible employment seen as less important reform trends, while downsizing as more important

(continued)

Text Box 10.4 (continued)

- Codes of conduct, cost accounting systems, and decentralization of financial decisions are less used management instruments and contract steering more used
- Perception of success of reforms is high
- High perceived improvement in performance
- Perceived increased performance regarding cost and efficiency and cutting red tape

Finland

- Scores low on managerial autonomy
- Reform processes are seen as more contested by unions
- Reforms are seen as more about cost cutting
- Customer orientation, external partnerships and flexible employment are more important reform trends
- Contracting out is used more
- Improvement of performance is perceived as rather low

Iceland

- Smaller organizations
- Perceived high autonomy on policy design and policy implementation
- Favour efficiency over equity
- Reform processes generally seen as more crisis driven
- Job security, promotion and status is more important, but also opportunities to help others
- Reform processes are seen as more bureaucrat driven
- Reform processes are seen as more bottom up and with less public involvement
- Reforms are more inconsistent and more about cost cutting than service improvement
- Collaboration and cooperation, outcome orientation are less important reform trends
- Downsizing and agencification are more important reform trends
- Instruments related to steering (steering by contracts, management by objectives, performance appraisal talks and risk management) are less used as management tools
- Perception of success of reforms is low

(continued)

Text Box 10.4 (continued)

- The financial crisis is seen as deep
- Low perceived improvement of performance
- Low perceived performance regarding attractiveness of the public sector as an employer and citizens trust in government

Norway

- Low level of politization (politicians respect expertise of bureaucrats)
- High autonomy on policy design and policy implementation
- Promotions less important
- Reform processes more bottom-up
- Reform processes more supported by unions and more public involvement
- Reforms are more consistent and more about service improvement
- Outcome orientation, cutting red tape, customer orientation and down-sizing are less important reform trends but agencification is more important
- Benchmarking, steering by contracts, cost accounting system and performance related pay are less used as management tools and codes of contacts are more used
- High perception of success of reforms
- The financial crisis did not hit that strong
- High perceived improvement in performance

Sweden

- Organizations are larger
- Low perceived autonomy on policy design and policy implementation
- More oriented towards tax financed services than towards user charges
- Reform processes are seen as more supported by unions
- Digital government is less important as a reform trend (but still high)
- Instruments related to economy (cost accounting systems, decentralizing of financial and staffing decisions and performance related pay) are more used as management tools. The same goes for customers surveys but not for steering by contracts

When we zoom in on the different Nordic countries they do not come out as a strongly integrated block. There are nevertheless some important similarities, first, regarding the executives' own role understanding, their public sector values, and public sector motivation. Hierarchy and horizontal coordination arrangements are considered more or less equally important across the Nordic countries, as is citizen participation, while they all seem to attach less weight to reform trends such as mergers, contracting out, and privatization.

When we look more closely, some special features of the different Nordic countries emerge. There are interesting differences in responses from top level executives coming from dual and unified national executive organizations. In dualistic systems we expected managerial autonomy to be higher, and we also expected autonomy in policy choice and design to be lower—expectations that were only met by the Swedish respondents' scores but not by the Finnish. Hence, according to our research the dualism of the East Nordic model is today only upheld by Sweden, which undermines the ideas of an East Nordic and West Nordic administrative model.

Iceland is in many ways an exception, chiefly owing to circumstances such as the financial crisis, which hit Iceland much harder than the other Nordic countries. It is also a much smaller country, with a smaller public administration. Administrative autonomy in policy design and policy implementation is perceived as higher than in the other Nordic countries. Reforms are seen as more crisis-driven and the focus on efficiency is higher. Job security seems to be a strong public service motivation. The reform processes are more bottom-up and driven by bureaucrats, and public involvement is weaker. The reforms are perceived as more inconsistent, although cost-cutting is more important than service improvement. Downsizing and agencification are more important reform trends, while collaboration and cooperation and outcome orientation are less important. The same goes for management tools related to steering. Top executives see only minor improvements in performance and they generally think that the attractiveness of the public sector as an employer is decreasing.

At the opposite end we find *Norway*. Of the Nordic countries, Norway was the least hit by the financial crisis. The degree of politicization is seen as lower and the degree of policy and implementation autonomy as higher. Norwegian top executives perceive reform processes as more bottom-up, less contested by the unions, and characterized by more public involvement. They also regard the reforms as more consistent and more about service improvement than about cost-cutting. Outcome orientation, cut-

ting red tape, customer orientation, and downsizing are seen as less important reform trends. Benchmarking, steering by contracts, cost accounting systems, and performance-related pay are used less as management tools, while codes of conduct are used more. The perceived success of reforms as well as the perceived improvement in the overall performance of the public administration is seen as high.

In *Denmark*, too, the level of politicization is seen as low. There is more support for market solutions and user charges. Job security and opportunities to help others are seen as less important than public service motivation. The reforms are more consistent and comprehensive and bureaucrat-driven with a low level of public involvement. Transparency, cutting red tape, and flexible employment are seen as less important reform trends, while downsizing is more important. Codes of conduct, cost-accounting systems, and decentralization of financial decisions are used less as management instruments, while contract steering is used more. The success of reforms as well as performance improvements are seen as high, especially when it comes to efficiency and cutting red tape.

Finland is closer to the Nordic average but has a profile that is somewhat more similar to Iceland than to Norway. Finland scores low on managerial autonomy. The reform processes are more contested by the unions and are more about cost-cutting than about service improvement. Customer orientation, external partnerships, and flexible employment are more important reform trends. Contract steering is used more. Finally, top level executives do not consider performance to have improved very much over the last five years.

Sweden is the largest Nordic country, with overall larger central government organizations. Somewhat in contrast to the traditional Nordic model, the organizations have low autonomy when it comes to policy design, but this is to be expected given the dualistic model. Autonomy is, however, also low for policy implementation, which comes as more of a surprise. In line with the Nordic tradition of generous and large welfare states, senior executives are more oriented towards tax-financed services than towards user charges. Reform processes are also more supported by the unions, which confirms the Nordic collaborative decision-making style. Digital government is seen as a less important reform trend compared with the other Nordic countries, and management instruments related to economy (cost accounting systems, decentralizing of financial and staffing decisions, and performance-related pay) are used more often. The same goes for customer surveys, but not for steering by contracts.

There are also other differences between the Nordic countries. The Swedish senior executives emphasize the traditional role of impartial implementation of laws more than others, developing new policy agendas less than others, and the common good motivation more than others. Danish public sector executives underline traditional role orientation and citizen orientation less than the others, but emphasize efficiency, achieving results, and user-financed services more than others. They also underline common good motivation and work-related motivation less. There are also important differences between the Nordic countries in their use of management instruments. Sweden, especially, stands out. Norway and Denmark are the most successful reformers in the eyes of senior executives. However, there is no unified Nordic model for successfully reforming public administrations. Decision-making that emphasizes substantive and consistent reform policies and autonomy of the public administration is important for perceptions of success, and these elements seem to be stronger in the Nordic countries than in many other countries.

Regarding the impact of the financial crisis, there were significant variations between the countries in our sample. Without doubt, Iceland was among the European countries most severely affected. At the other end of the spectrum, Norway was the least affected. Denmark, Finland, and Sweden took an intermediary position, although comparatively speaking they were closer to Norway than the crisis group, which Iceland belongs to. However, there was no call for a major re-evaluation of administrative thinking. The crisis did not lead to a whole new approach to public administration reform. The paths of reform continued as in the past. The crisis does not seem to have brought major structural changes in the Nordic public sector—at least not yet. The Nordic systems were relatively decentralized and non-politicized before the crisis and remain so for now. In fact, the crisis may have increased the distinctiveness of the Nordic systems in that they experienced less centralization and less politicization than most other systems in Europe.

INSTITUTIONAL FEATURES AND THE RELATIONSHIP BETWEEN REFORM EFFORTS, PERCEIVED SUCCESS, AND PERFORMANCE

Our analysis also finds important variations in views of reform trends, orientation, and performance between executives in ministries and agencies, in different policy areas, and between those working in small or large organizations and in organizations with different degrees of autonomy. Size,

type of organization, and organizations tasked with economic policy help to explain the variation between the Nordic countries.

Ministries and agencies are supposedly dissimilar working environments with respect to role understanding, value preferences, and motivation, because ministries are assumed to be more political and agencies more oriented towards customers and towards delivering expertise and service (Egeberg and Trondal 2009). This is consistent with the results of our study, but for motivation. The agenda-setting and collaborative roles are seen as more important in ministries than in agencies throughout the country groups, and the difference is biggest in Finland and Norway.

As for value preferences, citizen orientation is emphasized more in the ministries and customer orientation more in the agencies, almost everywhere. Although Nordic executives generally underline state provision as opposed to market provision of public services, this emphasis is clearly stronger in agencies than in ministries, with the exception of Denmark and Sweden where the value preferences do not differ by organizational background. Motivation of senior executives is about the same in ministries and agencies in all country groups.

Executives in ministries agree to a greater extent than those working in agencies that politicians respect the technical expertise of bureaucrats, but also that politicians more often influence senior level appointments in their own organization and that they tend to interfere more in organizations' routine activities. Executives in ministries also reported that reforms were more politician-driven and characterized by high public involvement, and they assessed the reforms as more substantive, consistent, and comprehensive than their colleagues in the agencies. Agencies use management instruments to a larger extent than ministries.

The variation by *policy area* pinpoints the Nordic uniqueness of roles, values, and motivation, but more clearly so in the traditional and welfare policy areas than in the economic policy area. In the traditional policy area, the Nordic countries give less priority to NPG only in terms of a weaker agenda-setting role. Only in the Nordic welfare policy area, is common good motivation stronger, and here there is also more support for state provision and tax-financed services than in other policy areas, underlining the NWS nature of the welfare sector in the Nordic tradition.

Size also seems to make a difference. Executives from larger organizations generally saw downsizing, performance management, digitalization, and cooperation as more important than executives from smaller organizations. They also saw the reforms as more consistent and substantive

and more about cost-cutting. Larger organizations tend to use all types of management instruments more than smaller organizations.

The relationship between perceived *autonomy* of public administration and success of administrative reforms between states is positive and quite strong. However, the relationship between autonomy and success of public sector reforms within each state is much weaker. Comparisons between states in Europe indicate that the positive effects of administrative autonomy on success are stronger on a system level than within each state.

There is, however, no strong significant correlation between reform efforts, whether NPM or post-NPM, and the perceived success of reforms when the countries are compared. Therefore, willingness to reform the public sector is not necessarily a predictor of success. Countries that applied NPM methods also tend to apply post-NPM methods, which might indicate that some countries are just more eager reformers than others.

The impact of *reform trends* on the perceived performance of specific dimensions in the Nordic countries over the last five years does produce generally positive but rather weak correlations. The strongest correlations are found in Norway and Finland. In general, it seems that the major reform trends, NPM and post-NPM alike, have not had a major influence on the perceived success of reforms over the last five years. Therefore, we should not expect implementing major trends to lead to success in the public sector irrelevant of the context. Elements of the bounded rationality model (substantive and consistent reforms) prove to be the strongest predictors of perceived success of administrative reforms, but public involvement also has a fairly strong relationship with success.

In the Nordic countries staff layoffs are a relatively common reaction to the financial crisis whereas pay cuts and pay freezes are much less common. These priorities indicate an approach to public sector management that is more conducive to rationalization in the Nordic countries. The combination of flexible labour market policies and social security—sometimes called “flexicurity”—allows economic rationalization to take place while every effort is made to prevent the emergence of structural unemployment or poverty traps.

CONCLUSION

This book has revealed both similarities and differences between the Nordic countries and other European families of countries as well as similarities and differences between the Nordic countries. This indicates that it is not easy to identify a specifically Nordic model of administrative reforms.

First, there seems to be a complex reform pattern. We do not observe a linear development from Old Public Administration via New Public Management to post-NPM, Neo-Weberian Reforms, and New Public Governance models. Neither do we see a pendulum swing from one reform trajectory to another. Our findings are more in line with a more complex and hybrid reform pattern in which new reform trends and tools are added to existing ones (Streeck and Thelen 2005). The development can be better described as complementary and supplementary than as new reforms replacing old reforms (Christensen and Lægheid 2001). Both old and new institutional ideas and practices have been adopted on top of one other without either NPM or NPG being completely abandoned. We see a mixed order and a composite and compound public administrative reform trajectory (Olsen 2010). As reforms continue, governance ideas and practices exist in an ensemble. The organizational structure of the public sector is not neat and easily accessible, but rather complex, mixed, and therefore difficult to understand or explain in full. Years of continuing reform efforts mean that the public sector still is in a state of transformation.

Second, the Nordic countries no longer lag behind in administrative reforms in Europe, and therefore can no longer be labeled “reluctant reformers.” Instead, they emerge as active, eager, motivated, and also optimistic and rather satisfied reformers. Management reforms are at the forefront. However, this does not mean that more traditional reform components have faded away.

Third, the traditional distinction between a Nordic model, an Anglo-Saxon model, an East European model, a Germanic model, and a Napoleonic model needs to be modified. We primarily see a North-South divide in Europe between well-functioning public administration systems in the Nordic countries and public administrations under pressure in the Napoleonic countries. Good governance is a label that fits the Nordic public administrative systems better than the Napoleonic. The differences between the Nordic countries and the other families of countries are not so clear-cut.

Fourth, the traditional distinction between the East Nordic model and the West Nordic model need to be modified. In fact we do not see any systematic differences between Sweden and Finland on the one hand and Denmark, Norway, and Iceland on the other, which has been the traditional geographical divide between dualistic and unified executive organizations. Responses in tune with the expectations of a dualistic system were only partly received from the Swedish respondents regarding politization and autonomy but not from the Finnish respondents. This confirms the

recent changes in the Finnish executive that were addressed in Chap. 3. There are, however, other important differences between the Nordic countries. On the one hand, we have Iceland, which owing to the impact of the financial crisis faces more problems than other the Nordic countries do on many dimensions. On the other hand, there is Norway, which owing to a good financial situation and also a rather successful reform trajectory seems to score highest on good government (Christensen and Læg Reid 2007b).

Fifth, not only country features and situational features, such as the financial crisis, matter for role perceptions, public sector values, public sector motivation, degree of politicization, reform processes, trends, and content as well as use of management instruments and perceived success of reforms, but also institutional features, such as differences between ministries and agencies, policy areas, degree of autonomy, and size of the organization. Thus, there is no single-factor explanation for variation in administrative reforms, management instruments, and their effects. But overall, country differences are the most significant, indicating that there is still a lot of divergence across Europe when it comes to administrative reforms (Pollitt and Bouckaert 2011; Christensen and Læg Reid 2012).

Perceptions of the performance of the public administration are the clearest indication of the continuing existence of a Nordic model. Here, there seem to be significant differences between the Nordic countries and the rest of Europe, and yet at the same time there are only minor variations between the Nordic countries. In the eyes of top administrative executives the public administration is running well both overall and along different dimensions. The view of the performance of the public sector in the Nordic countries is more optimistic than in the rest of Europe, especially regarding trust in government, the attractiveness of the public sector, and staff motivation.

All in all, the depiction of the Nordic countries as the new “super model” does get some support. To what degree this is due to successful administrative reforms is, however, less certain. A considerable proportion of top executives in the Nordic countries did not see any big changes in the way the public administration works. This means that the reforms cannot be seen as unconditionally successful and that assessing their actual effect is inherently difficult. Administrative reforms have probably had some positive effects, but the overall picture is also influenced by other factors. Considering the good economic situation in the Nordic countries (except for Iceland) and a supportive administrative culture, the overall positive evaluation of the public administration is not surprising.

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