

## **Administrative reform – Arguments and Values**

# Administrative reform – Arguments and values

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# Preface

The research programme, '*Internationalisation of regional development policies – Needs and demands in the Nordic countries*' was commissioned by the Nordic Council of Ministers in the spring of 2005.

The aim of this programme is to undertake research on key issues, where it has been identified that new knowledge is needed, and where such knowledge could be seen to benefit the development and implementation of regional development policy in the Nordic countries.

The basis for the research programme is its Nordic character. Research should lead to new knowledge both for the academic world and for the world of policy and practice. Projects should add 'Nordic value', i.e. they should produce knowledge of relevance for several regions and countries across *Norden*. The research should moreover be comparative and collaborative across at least three Nordic countries or self-governed areas.

Three themes of high priority for the research programme have been identified; '*regional governance*', '*innovation and regional growth*', and '*demography and labour migration*'.

In addition to these priorities two additional crosscutting themes were also defined; 'the enlargement of the EU and the challenges for Nordic regional development policies' and the broad topic of 'the three dimensions of sustainable regional development'; i.e. social, economic and environmental sustainability.

The research programme has been launched in two rounds. In the first round during the spring of 2005 it was decided to fund five projects. These were reported during 2007. In the second round during the spring of 2007 it was decided that a further five projects should be funded. These will be reported in 2008 and 2009. All project reports are published in this publication series dedicated to this programme. At the end of the programme, a synthesising report will also be produced where the most important findings are discussed. This report is planned to be published in the autumn 2009.

*Nordregio* wishes to thank the Nordic Senior Official Committee for Regional Policy and the Nordic Council of Ministers for providing this unique opportunity to develop new research-based knowledge and for encouraging cooperation and the exchange of ideas between Nordic researchers.

*Nordregio* would furthermore like to thank all of the involved research teams and the programme's Steering Committee for their continuing contributions to the Nordic discourse on regional development.

Ole Damsgaard  
Director

Margareta Dahlström  
Coordinator of the research programme



# Author's Preface

A major reform of public sector responsibilities was implemented in Denmark on 1 January 2007 while the other Nordic countries are now also undergoing administrative reform processes. The main subjects of debate are the number of municipalities and regions, as well as their tasks.

The proposed changes are intimately tied to the prevailing national administrative heritage endowment with each country proposing its own solution. The arguments used for and against change are however rather similar. Arguments about service quality, efficiency and equality are used in the context of the debate over larger administrative units, while arguments about democracy and identity are mainly used in relation to smaller units.

The aim of this report is to illuminate the arguments used in the public debates that are currently taking place in each of the Nordic countries. The processes themselves are described as background detail to the analysis of the arguments used in favour of, or against, the proposed changes. The descriptions of processes and arguments have been updated to June 2008.

We are of course aware that individual arguments are often used tactically and as part of the wider political or strategic process of 'positioning' in a conflict particularly over which solutions to choose. Arguments often also contain prophecies or prognoses about the future. Our ambition here is however to describe the processes and the arguments used as factually as possible.

The research undertaken here is based on written sources and on interviews and discussions with national experts. Written reports and website-based information provide valuable sources of official information. Supplementing this we have, in addition, had the pleasure of discussions with colleagues in all eight Nordic countries and self-governing territories, through e-mail, telephone and face-to-face meetings.

A project reference group with solid national as well as Nordic comparative expertise was established and has supported the work with comments, analysis and contacts. The members of this group were as follows:

- Sigurdur Gudmundsson, Deputy Director General, Ministry of Finance, Iceland
- Mårten Johansson, Chief Executive, municipality of Ekenäs, Finland
- Hans Kristensen, Head of Centre, University of Copenhagen, Denmark
- Reidar Mørk, Senior Adviser, Norwegian Association of Local and Regional Authorities
- Jan-Evert Nilsson, Professor, Blekinge Institute of Technology, Sweden

The project leader was Kai Böhme at Blekinge Institute of Technology. The other team members were Hallgeir Aalbu from *Sweco Eurofutures AB* and Åke Uhlín from *Bildanden AB*. Language editor was Chris Smith.

The team members, as well as the members of the reference group, have an international background, with each having participated in Nordic co-operation and having worked with international comparative studies for many years. The project group also benefited from frequent discussion with *Nordregio* staff and with other project staff participating in the same round of projects within the Nordic Council of Ministers Research Programme.

The research team wishes to express its gratitude to the reference group and to those who gave of their time to provide valuable input both in terms of the practical development of the individual processes and in the intellectual task of understanding them.

Karlskrona/Stockholm, 17 September 2008



# Summary

A major reform of public sector responsibilities was implemented from 1 January 2007 in Denmark, while the other Nordic countries are now in different phases of their own administrative reform processes where the tasks and number of municipalities and regions are the main subjects of debate. The aim of this project was to illuminate one important aspect of the public debates that are currently taking place in all Nordic countries, namely the *arguments* that are used. The processes themselves are described as a background to the analysis of the arguments used in favour of, or against, the proposed changes. The descriptions of these processes and arguments have been updated to June 2008.

The historical context of the administrative systems as well as the size and role of the municipalities and regions concerned differs greatly as do the reform processes. The countries and self-governing areas are currently all at a different phase in the process:

- **Denmark:** The reform process has been concluded and larger municipalities and regions are now a fact. The division of labour between state, regions and municipalities has been changed; as tasks have been transferred from the regional level to the state and the municipalities.
- **Finland:** The reform process is currently underway. Municipal amalgamations have begun and more will follow in a “voluntary” process based on state legislation. At the same time, the state administration at the regional level is also due to consolidate and to merge into larger units.
- **Greenland:** A reform is currently being implemented where the number of municipalities will be reduced from 18 to four and their responsibilities extended. New local service offices will be established in the villages.
- **Faroe Islands:** In July 2008 the PM announced a reform process that will lead to a reduction in the number of municipalities from 34 to seven from January 2010. It is however too early to judge the likely success of the process.
- **Norway:** Only the regional level is currently being discussed. After 10 years of debate it seems however that the structural reform process has stalled. The regions will receive more responsibilities from 2010 but their number remains unchanged.
- **Sweden:** The discussion here is concentrated on the regional level. A major reform is proposed and local and regional authorities are in principle supportive, even if local interests are diverse and the situation remains far from a broad national solution. The Government is hesitant to push for radical reform and thus it remains uncertain whether any real changes will occur.
- **Iceland:** After the failure of two broad reform processes ending in negative referendums, no further central initiatives are currently foreseen. Changes in municipal responsibilities will probably however come in the years to follow – changes that may have municipal amalgamations as a consequence.
- **Åland:** The trend is that responsibilities are being shifted away from the very small municipalities to the regional level of Åland, while the municipal structure remains essentially intact.

The review of arguments used for and against administrative reform shows clearly that a number of arguments are used by both sides of the debate and that the focus of the arguments differs between the countries. The arguments may be summarised under four headlines:

- **Democracy.** The democracy argument has a huge palette of nuances. The overall picture is that often “closer” is considered to be “better”, as expressed in the Norwegian white paper on the structural reform. The strong bottom-up focus on municipal amalgamations in Finland, Iceland and Norway is a clear expression of this. There are however also contra arguments pointing to larger and stronger municipalities as a means of allowing for the devolution of regional and state responsibility, and hence for a stronger local and regional democracy, as in Denmark.
- **Efficiency.** In general the argument focuses on economies of scale in service production, i.e. the need for a critical mass to be able to provide high-quality and cost-efficient services. The

arguments focus on the health care sector, or more generally on the idea of functional regions, as well as on the question as to whether the regional or the state level is best suited for sector co-ordination and what the demands of globalisation mean for public administration. Denmark, Greenland and Finland in particular have a clear focus on efficiency in their reform debates, but this remains an important element in the discourses of all countries and self-governing territories. There are also however some efficiency-related arguments against reform often focussing on the administrative costs of larger units.

- **Economic growth.** Arguments linked to regional development relate economic growth issues to the size of a municipality or a region. Typically they would argue that large administrative units have more resources to work with in respect of regional development, to meet the challenges of globalisation, and to implement a diversified development policy or more integrated territorial planning. We find these arguments most frequently in Sweden, Finland and Norway. The opposition however forcefully argues that administrative reform cannot of itself actually create economic growth.
- **Procedures.** Procedural arguments are less frequently found as they do not normally relate directly to the issue discussed. These arguments however highlight deficits in the reform processes and the need for more time, broader process participation, new legislation, etc. – i.e. working against reform. They are most frequently found in Sweden, which is the country where, of all the Nordic countries and territories, the process has been broadest and most inclusive.

These discourses are directed towards the future, and the question is always one of whether a reform will lead to a better or a worse situation than that of today. Or more relevantly perhaps, it is a question of whether we will be better off with a reform given the future challenges in respect of globalisation and ageing populations that are now seen by many as a threat to the very institution of Nordic welfare state. Substantial efforts have already been made to uncover evidence and to describe alternative ways forward. The Norwegian and Swedish processes in particular have produced a lot of research-based discourses over a number of years, where previous experiences have been discussed in the light of future developments. Most arguments are however prophecies about the future. There is a significant difference here between a political discourse and a professional and research-based discourse. Where the former looks ahead in expectation and hope, the latter builds its advice on experiences from the past. We have seen that political decisions are taken without reference to the research undertaken. Reports and investigations do not then necessarily improve the quality of the political debate.

There are a number of similarities and differences in respect of initiatives, reform agendas, the view of political parties and the more general view of local administrations:

- The **initiative** for administrative reform comes from central government and the tempo is high in Denmark and Finland. In both countries it is a purely political process with tight deadlines. Sweden and Norway on the other hand work through committees with the ambition of reaching consensus before a reform is implemented – which probably explains why it is more difficult to implement any reform there.
- The **reform agenda** is also different. The Swedish and Norwegian debates are focused on whether or not to reform the regional level of administration and to introduce larger and stronger regions. The focus is on the municipal level in Iceland and the self-governing areas of the Faroes, Greenland and Åland where there is no regional level. Denmark and Finland are working on both the local and the regional levels.
- There is in all countries a recognisable **right-left political divide** in the discussion. The arguments used thus often mirror the political parties more general attitudes toward the public sector in general. The right-wing parties want a two-tier system while the social-democrats are in favour of a three-tier system but with a strong state administration and weak regions, while parties representing the peripheries generally speak for strong – but not necessarily large – regions. These traditional political divides do of course contribute to the difficulties of implementing change as long as stable parliamentary majorities are difficult to establish.

- The **view of the municipal sector** is different between the countries. The municipalities are primarily service providers in Sweden and Denmark and may be seen as franchise operators of the Government Ltd. This efficiency and service-producing focus is also evident in Greenland. In Iceland, Finland, the Faroes, Norway and Åland, on the other hand, the municipalities are imbued with strong values in respect of identity and self-governance.

In the political sphere an administrative reform often also serves purposes other than just improving administrative efficiency. This is to say that if the professional and research-based discourse regarding administrative reform in essence is rational from a spatial and causal perspective, then the political discourse is also rational from a political perspective

The radical Danish reform is an obvious example here, where the process of investigating different models was used to motivate a politically-based reform without any research-based support for the actual solution. The Norwegian failure may also be understood in this way, i.e. the solution proposed after ten years of investigation and discussion did not offer any significant political benefit to a majority in parliament. The Swedish case is not yet concluded, but again we can see that the arguments for a reform on the regional level are not politically sufficient for the strategists of the leading party in the government alliance to throw their full weight behind it. The Icelandic case is also interesting as it highlights the differences between structural and rational arguments on the one hand and on-the-ground political resistance on the other.

The more directly politically-driven reform processes in Denmark and Finland do not need prognoses anchored in past experiences and research reports – as prophesies about the future are enough to see beyond the horizon as long as the interests are of a political nature. The more extensive reform processes in Norway and Sweden have a stronger research base, involve more people and take much longer time. Their weakness is of course that empirical arguments do not necessarily say much about wise choices for an uncertain future. The reports produced do not provide political parties with enough positive expectations or political benefits to motivate them to accept the costs of actual reform.

This may explain why reforms have been carried out in Denmark and Finland but seen far more difficult to enact in Norway and Sweden. The explanation is therefore primarily about the existence of political initiatives to make changes *without* extensive processes, and less about national differences regarding the administrative systems or the historical values attached to the discourses of local democracy and identity.



# 1. Introduction

## Research questions

Administrative reform has been an ongoing issue of debate across the Nordic countries in recent years and remains so in some of them. The issues on the agenda include:

- What is the most efficient and logical division of responsibilities between central government, national agencies, sectorised state authorities, regional state government, elected regional councils and local government?
- How many municipalities and regional councils should there be, and for which geography?
- How tightly connected are the issues of responsibilities, size, and the geographical delineation of municipalities and regions?

The aim of this project is to illuminate a single aspect of the public debates currently taking place across the Nordic countries, namely, to outline the arguments used (rather than describing the process itself). This will increase the transparency of the debate and be of use when decisions are made. Core research questions include:

- What are the main arguments used?
- What values can be identified behind the arguments?
- Why do some arguments have greater legitimacy in certain countries than in others?

## Research overview

The basic arguments for and against administrative reform have to be understood against a particular historical backdrop. Denmark and Sweden were constitutionally recognised as sovereign states by international agreements long before they became nations (the Peace of Westphalia, 1648). Administratively by then they already had strong centralised governments and administrative settings. On the other hand, when the nationalist idea (about the values of a common language and culture, sharing fundamental rights, etc.) gained ground in the middle of the 19th century, people in Finland, Iceland and Norway started to consolidate themselves as nations, i.e. long before they could declare themselves as sovereign states and build national institutions. This explains why, for historical reasons, the state has a stronger position in Denmark and Sweden than in Finland, Iceland and Norway, where national identity and nationalistic values are stronger (e.g. Hettne, Sörlin & Østergård 1998; Sejersted 2005; Uhlin 2007).

Researchers have, moreover, identified two rather different traditions at play in terms of central administrative systems among the Nordic countries. On the one hand there is a western-oriented and ministerial tradition in Denmark, Norway and Iceland. On the other hand there is an eastern-oriented and technocratic tradition prevalent in Sweden and Finland. The former is oriented towards input-democracy, i.e. where parliamentary responsibility is central and where political decisions are carried through by a loyal administration. The latter is characterised by rather independent agencies and their judgements. They represent an output-democratic tradition where results and efficiency are at the forefront (e.g. Rokkan 1987; Gidlund 2000; Veggeland 2003).

	West-Nordic ministerial governmental system	East-Nordic technocratic governmental system
State-nations	Denmark	Sweden
Nation-states	Norway Iceland	Finland

To these very fundamental and different traits one has to add the impact of modern historical trajectories such as for instance membership, or otherwise, of the EU and NATO. Given these differences the orderly structure of the matrix is often blurred when it comes to particular issues while 'anomalies' are never hard to find. Thus, even if the topical arguments about Nordic administrative reform on the whole appear to be commensurate, on closer inspection they can clearly be seen to be different both in scope and in character. Nevertheless the matrix, in a very broad sense, will serve as our hypothetical guide in approaching the arguments deployed in respect of administrative reform.

Bearing this complexity in mind, and for the sake of comparison, the arguments for and against administrative reform may nonetheless be summarised under three headlines: efficiency, democracy and economic development. Each may include elements in favour of larger as well as smaller administrative units:

- The *efficiency* argument focuses on the economies of scale available in relation to service production, i.e. the need for production units to be over a certain threshold (critical mass) to be able to reach an optimal cost-efficiency and to provide a more professional level of quality. There is also an element of “insurance thinking” here, as when the Danish *Strukturkommission* proposed a minimum population size for the municipalities to ensure that they were able to handle certain rare but expensive services. Smaller units may on the other hand be more efficient, since they have better local knowledge, can choose measures that fit the challenges of their clients better, and are better able to adjust service provision to variations in local demand. At the same time, the size of the units also has implications for the division of labour between the different government levels, as certain services demand a critical mass.
- The *democracy* argument is often that “closer is better”, as we can see from recent Norwegian white paper on structural reform. Municipal mergers are encouraged in Finland, Iceland and Norway, but only as a voluntary bottom-up-process in respect of local democracy. Counterarguments exist, however centring on the risks associated with encouraging the re-emergence of corporatism and the difficulties local representatives often have in taking necessary but unpopular decisions. It is also frequently argued that participation levels are lower in local than in national elections, hence questioning the value of the traditional model of elected local democracy. This argument of “closeness” relates also to the discussion of subsidiarity and which government level is best suited to which task. The size of, and tasks assumed by, the municipal level differs widely across Europe while in many countries local democracy remains an important argument for the retention of small municipalities.
- A frequently heard set of arguments are those linked to the role of regions in relation to *economic development*. The fragmented nature of the public sector in city regions makes policies less efficient (OECD 2006). Regions should therefore be large enough to cover the functionally integrated region, and should have the possibility to adapt policies better to the opportunities available, as there is no “one-size-fits-all”

(*EuroFutures* and *Nordregio* 2006). On the other hand, one can argue that the Nordic countries are too small to build any policies on the basis of regional strengths. Regardless of the question of size, it remains open whether economic development and integration necessarily requires that administrative divisions match functional regions.

A fourth set of often utilised arguments were of a *procedural* character. These arguments highlight procedural deficits or errors, e.g. that not all parties are heard or the process is going too fast – such arguments are often deployed against change and are most frequently heard in Sweden. A fourth category of arguments can thus be added to the original three.

We had expected to uncover arguments relating to *social or environmental issues*, as the question of sustainable development raises the need for a co-ordination between governmental sectors balancing the issues of environmental, economic and social development. This challenges the strong model of vertical sector co-ordination currently predominant across the Nordic countries, where e.g. the environmental and labour market authorities are among the sectors most strongly expressing the need for national co-ordination. We have *not* however found that social or environmental arguments are used to any significant extent. This is also the case for *gender issues*.

An overview of how various arguments are used in the current context of municipal and regional reform in Denmark, Finland, the Faroe Islands, Iceland, Norway, Sweden and Åland – and how they relate to different models of municipal governance – is available from ÅSUB (2006). The arguments used depend to a large degree on what role the municipalities have: in countries where the local administrative level's main task is to provide a broad range of welfare services to their population, the tendency exists to use efficiency and quality arguments more frequently (as in Denmark and Sweden). The opposite is true for countries where local identity and democracy is to the fore, where there is less decentralisation and more state involvement in service production (as in Norway and Iceland).

In general a right-left political divide can also be seen in the discussion over administrative reform. Political parties of the centre-right often want to use market solutions more, to reduce the number of administrative levels and to strengthen the central government. Parties of the left talk more about local democracy while at the same time also believing in public intervention and strong government. In addition, liberal parties exist in each country highlighting the benefits of decentralisation while often being more conscious of issues relating to regional development.

To properly understanding the arguments used their temporal “direction” or background needs to be understood. Some arguments are backwards oriented, i.e. they have a historic dimension. Other arguments are future oriented, i.e. they have a vision of where things ought to go in future. This temporal direction is essential in understanding the value base behind the various arguments used.

## Project design

The project faced two intertwined methodological design issues: (a) it is only possible to compare what is compatible and commensurable, and (b) arguments about administrative reform are to a certain degree based on values, and while values might very well be compatible it is highly debatable whether it is possible, for value theoretical reasons, to compare them. From a methodological point of view both issues are difficult to handle. On the other hand, once one is aware of these problems there are a number of paths open to us.

Francis Sejersted said about comparisons: "The most important advantage with a systematic comparison is, however, the stage it sets in order to relate the description of the one society to something concrete, namely the description of the other society" (Sejersted 2005, p. 17). Given this pragmatic attitude, together with a sensibility for what might be compatible and commensurable, we can master issue (a).

Issue (b) is about different standpoints regarding the "nature" of values: Are values some sort of true empirical judgements, are they (just) attitudes or outlooks, or are they true judgements which can be true or false in an objective sense but without being able to be reduced to empirical judgements. Again, a pragmatic standpoint is this: We take a value-realistic position, i.e. that all value judgements can, on the one hand, be true, and true in an objective sense independently of our thinking and attitudes, while noting on the other hand that such true values can have "inner" conflicts, or be in conflict with each other (Tännsjö 1990; Berlin 1995).

This brings us to the practical design of the project. Our work has been based on written sources and on discussions and interviews with key informants. The project was organised in three steps:

- *Step 1 – Background.* The first step was to further elaborate the methodology and concepts for the study, and to identify the key documents to be considered and the key persons to consult. We covered five countries and three self-governing territories. The reform processes are most significant in Denmark, Finland, Norway and Sweden, and thus we therefore concentrated our efforts there. As the assessment is being made on a moving target it has been necessary to identify a start date and a final date for the stories told. We concentrated on the latest reform initiatives in each country with June 2008 being fixed as the latest point in the story. Material appearing after that date has not been considered in the study.
- *Step 2 – Identification of most typical arguments.* Our empirical material has been produced by going through written sources and identifying the typical arguments used in the debate on municipal and regional reform. The focus here was mainly on the official documents and, to a limited extent also, on parts of the political debate in the public sphere (newspaper articles etc.). This desktop research was supported by interviews with key persons in each country. In particular the interviews did not only allow for the identification of the issues used as arguments but also for the "direction" and background of these arguments. The Nordic reference group assisted in this process, both in their role as experts and as facilitators or 'door openers' to other experts. Interviews were carried out via e-mail, telephone and face-to-face meetings.
- *Step 3 – Analysis and reporting.* The arguments were analysed and categorised. In addition to the current final report we will also write dissemination articles in both English and in Scandinavian languages.

## This report

The report consists of five chapters and an annex. Following this introduction, Chapter 2 presents in brief our theoretical and conceptual points of departure. The concepts used are further described in the methodological annex at the end of the report.

The reform processes and their political backgrounds are described in Chapter 3 and organised in short sub-chapters for each country and territory.

The arguments are described in Chapter 4, divided into the four groups of arguments most frequently found (efficiency, democracy, economic development, procedures).

Chapter 5 analyse the best ways to understand and interpret these arguments on the basis of their character, i.e. whether they are based on predictions, prognoses or prophesies, on interests or perceptions, or can be understood on the basis of more structural explanations. One general conclusion here is that there are two different logics at work, one based on research, investigation and committees where arguments are tested and prioritised, and the other on pure political logic, where arguments primarily must be understood on the basis of the interests they serve.

## 2. Theoretical and conceptual points of departure

When it comes to giving an account of our theoretical points of departure we faced something of a dilemma. On the one hand we wish to provide a theoretical introduction which is reasonably short and accessible for the general reader, on the other hand, and since the current arguments about administrative reform cover a wide array of rather complex issues, our usage of certain concepts deserves a more multifaceted discussion. We have solved this problem thus: In this chapter we briefly describe our theoretical points of departure and touch upon the concepts that will be used. The more interested and inquisitive reader can then, in an appendix, find further theoretical information about the concepts used herein.

A closer look at the public debates over these reforms however reveals that many of the stated arguments – regardless of whether they are for or against reform – fit into a common pattern and conceptual framework. Let us look at two rather typical arguments:

- "Elected bodies at the regional level facilitate greater decentralisation as such they become more important [objects of recognition and allegiance] for people thus stimulating democracy" (NOU 2002:22).
- "The conservatives cannot support elected regions. We do not need more bureaucracy. Regions will increase inefficiency" (Blomqvist, 2007).

It is obvious that both arguments are about *values*. We dare say that all current arguments about administrative reforms in the Nordic countries, in principle, are laden with values – explicitly or implicitly. This means that it is impossible to analyse arguments, to compare them and analyse their differences, and so forth, without paying regard to values. However, values are studied within several empirical sciences, e.g. anthropology, sociology, psychology, history, and so forth. But within these and other empirical sciences the interest is focused on what values people *have*. This is an interest we share in this inquiry. But, what values *are* and which values are the *right* ones are issues within value philosophy. When discussing arguments and values about administrative reform, it is however impossible to avoid either the empirical or the value philosophical aspects.

From values it is but a short step to *conflicts*. It is for instance obvious that both arguments above implicitly refer to other arguments which advocate the reverse opinion. However, the current arguments about administrative reform are not only about value conflicts, interest conflicts, role conflicts, even pseudo conflicts, and of course conflicts about factual matters also exist. There is an ominous ring to the concept of conflict. Our every day lives are however replete with conflicts with most being rather mundane. For instance, when the level of conflict is low it might be enough to flip coins, i.e. to let destiny decide which option should be realised. When the level of conflict however is higher there are several institutions in a democratic society with the function of handling such conflicts, e.g. the voting institution of Parliament. In extreme conflict situations society has monopolised legitimate violence as an instrument to be used in order to cope with interest- and value conflicts, e.g. when it comes to criminality and war. The point we want to make here, however, is that whereas value- and interest conflicts have to be resolved with some sort of power instrument, other kinds of conflicts can be sorted out through investigation and rational arguments. This is not however possible when it comes to value- and interest conflicts which are the most common types in respect of arguments over administrative reform.

This is obvious when it comes to the four most common types of arguments over administrative reform, namely arguments about democracy, efficiency, economic growth and process; all but process inherently allude to positive values and therefore more or less

automatically to value- and/or interest conflicts. The concept of *democracy* thus both covers values like freedom and equality and a specific form of governance. However, freedom and equality are two of the most discussed value concepts in our culture. What is more, democracy meaning self-government by the people is also complicated in that both the concept of people and the concept of self-government have historically been, and continue to be, interpreted in different ways. Furthermore, efficiency has both a technical dimension, e.g. a high degree of effectiveness per unit of time, and an economic dimension, usually the relationship between input and output. Efficiency is however often mixed up with effects; it is for instance perfectly possible for a highly efficient bureaucracy to produce virtually no effects at all, or even worse, appalling effects. The concept of economic growth is not just a technical economic term but also denotes a positive political value. In our investigation the concept of process however refers to a specific circumstance, namely that particularly in Sweden, but also in the other Nordic countries to some extent, a debate has developed about the 'reform process' *per se*.

On encountering arguments like those quoted above one more or less automatically compares them. In both examples implicit *comparisons* are also made between the current state and a presumed future situation after reform. As a matter of fact, comparisons are not only an inherent human habit but remain the most common of all scientific methods. They are also however the most mechanically applied, taken for granted, and therefore possibly the most misused of all scientific methods. In a way however comparisons are the very *raison d'être* for the present inquiry, as we are supposed to compare arguments and values in respect of the Nordic administrative reform process. That is, we have to be rather specific and particular when we do our comparisons.

Furthermore, all comparisons result in observed *similarities* and *differences*. Similarities are quite tricky, because what is similar is not identical, i.e. a difference already exists in what is similar (but not identical) with something else. Our point of departure in respect of differences will thus be an analysis of how Gregory Bateson's famous dictum that, "Information consists of differences that make a difference at a later event" can be applied to our inquiry.

The phrase "at a later event" in Bateson's dictum refers to both temporalities and occurrences, which often, like comparisons, are equally under-problematised. Comparisons of arguments about administrative reform are always, for logical reasons, temporal in nature. Not only are the arguments already historical, i.e. they are already delivered. But they are also characterised by explicit present time statements of more or less implicit past time data combined with assertions about either positive or negative future time effects. That is, the *temporalities* of these arguments are not only diachronic and linear, but they are also intertwined in a synchronic and non-linear way. What is more, arguments about administrative reform are also about social *events and structures*. But the kind of change over time that events represent is "faster" than the "slow" change of social structures. That is, in our inquiry we have to consider that events and structures are different entities but that they nevertheless constitute each other. Additionally, as soon as we encounter arguments and statements about the future, of which the two above quotations are typical, we have also to be observant of whether we are coming across *predictions, prognoses or prophesies* which both logically and semantically entail rather different statements about the future.

Moreover, the small gap between past time and future time when a decisive decision has to be taken, for instance regarding administrative reform, points towards the kind of time pressure that sometimes constitutes a crisis or even a revolution. Although the two temporally related concepts *revolution and crisis* in their everyday meaning have a sinister ring to them there are nevertheless good reasons to take a look at their original denotations.

Lastly, the current debates are often conducted with cleverness, frankness and shrewdness, i.e. there are reasons to study the *rhetorical* aspect of the arguments used.

### 3. Parallel Processes

Reform of the regional administrative structure is a recurrent theme in all countries. It is important to note however, that municipal and regional structures are often very stable over time – e.g. Swedish counties have almost the same structure now as they had some 400 years ago.

Large parts of the service sector, public as well as private and NGOs are organised on the basis of this administrative structure. The process of restructuring is complex and strong opinions will always exist against any proposal for change, independent of the reasons for such proposals.

The Nordic countries have however all dealt with the issue of administrative reform in recent years. This is simply an issue that will not go away. Discussion in each country occurred, in the main, independently though two common challenges exist which may explain why these discussions have evolved almost simultaneously across the Nordic countries:

- The Nordic welfare systems are coming under increasing pressure as the population grows older. The ratios between the working populations and the retired populations are changing rapidly, leading to rising costs on a smaller tax base and hence calls for delivery guarantees; more efficient hospitals and better state control of standards and expenses. Hospital services are usually organised at the regional level, and the organisation of counties, county councils, regional councils etc., is therefore becoming an ever more important issue.
- People's daily life tends to become less local and more regional over time. The travel-to-work areas are much larger now than in the 1970s, when the previous round of changes in the local and regional administrative systems were implemented. People spend less and less time within their resident municipality. This causes pressure to build on the system of municipalities. The two ways forward seems to be municipal mergers or a transfer of tasks from the municipal to the regional level.

The focus of this study is on the *arguments* that are used for and against administrative reform. It is however necessary to provide some information on the actual processes in each of the countries as a background to the analysis of these arguments.

While, from January 2007, Denmark simultaneously implemented *both* municipal and regional reforms, the other countries and territories have focused *either* on the municipal level (Iceland and the self-governing areas of the Faroe Islands, Greenland and Åland) *or* on the regions (Norway and Sweden). Finland, on the other hand, is currently implementing a municipal reform and has also started a process of moving towards a change in the regional state administration.

Considerable differences also exist in the ways in which the reforms are carried through, and these differences are important when, in the following chapters, we describe the arguments used and analyse the commonalities and differences between the countries. This chapter will therefore, on a country by country basis, provide a short factual description of the milestones in the various reform processes and a comment on their political background.

The time-perspective is of course important for the analysis. We shall focus on the most recent discussions in each country. For Denmark, the issue is the local and regional reforms implemented from 2007. For Iceland it is the referendum on municipal mergers in 2005 and the process thereafter. For Finland, Norway and Sweden, the focus is on events during the 2006-2008 period. Developments in the Faroe Islands, Greenland and Åland may be seen as

responses to the reforms in Denmark and Finland respectively. The stories are updated up to June 2008.

This Chapter is based on information provided by the reference group as well as by the contact persons throughout the Nordic countries whom we have interviewed. References are made to written sources.

## Denmark – a solution finds its problem

### Regions and municipalities

The responsibilities of the Danish municipalities and regions have been discussed over a number of years, and a reform was carried through from 1<sup>st</sup> of January 2007.

Denmark now has 5 regions and 98 municipalities, which is ca. 1/3 of the number of units prior to the reform.

The regions' main responsibility is health care. In addition, the regions also co-ordinate the processes of promoting regional competitiveness and economic growth. The municipalities have responsibility for primary education and other local services as well as for spatial planning.

Denmark	31/12 2000	31/12 2007
Number of regions	14	5
Average population of regions	382,000	1,095,000
Number of municipalities	275	98
Average population of municipalities	19,500	56,000

Sources: Hanell *et al* (2002) and *Danmarks Statistik*

The Faroe Islands and Greenland are presented later and are not included here.

### Reform initiatives

The 2007 reform can trace its roots back more than 10 years when a broad investigation was undertaken into the principles of public sector organisation and the responsibilities of the different layers of government.

Three official reports were commissioned between 1998 and 2004. The first two proposed a number of improvements in the organisation of the public sector and basically argued for incremental change – a number of which were indeed implemented. The third report discussed different principal models for the division of labour between the state, the regional level and the local level, but without any recommendations.

#### Key reports

- *Opgavekommissionen* in 1998, where principles for the division of tasks between the state, the county councils and the municipalities were discussed.
- *Sundhedsudvalget* in 2003, with an analysis of the organisation of the health system, including the regions and possible alternative organisational principles.
- *Strukturkommissionen* in 2004, discussing the tasks and optimal size of the municipalities and the counties.

In 2001, Denmark chose a Conservative/Liberal government with a strong mandate to implement change. The reform process was inspired by administrative models from the private sector and did not follow the recommendations of the three above-mentioned reports, of

which the first two in particular were comprehensive and provided an extensive analysis of the principles of public administration and the options for the future. (As one of its first measures, the government disbanded a lot of advisory boards and commissions while many of the Danish sector research institutes were also closed, which was another expression of their general scepticism against researchers and experts.) The remaking of the structure of municipalities and regions was therefore *not* governed by the reports produced. The first two above-mentioned reports did concur in favour of a stronger regional level with fewer units with more responsibilities, while the third discusses alternative models without providing clear recommendations.

The Danish reform process can then best be understood as a top-down political initiative, which in many ways broke with the country's tradition of broad participation and a striving for consensus in major change processes. The timetable is interesting, as it illustrates the political commitment and the lack of broad participation:

- The *Strukturkommissionen* Committee was appointed in October 2002. Its mandate was to undertake a technical analysis of the municipal structure and discuss possible alternatives.
- The report was presented in early January 2004, with four principal alternatives. The number of regions was to be reduced in all alternatives, as was the number of municipalities.
- The Government presented its proposal on 27 April 2004, rather independently of the Commission's conclusions and the public hearing. Political negotiations secured a very narrow majority in Parliament.
- The reform was prepared in under 12 months, including new legislation and local level negotiations for new municipal borders.
- Municipal and regional elections were held in November 2005. The old and new structures worked in parallel during 2006.
- The structural reform was implemented from 1 January 2007.

The reform reduced the number of regions and municipalities to one third as well as changing the division of labour between the state, the regions and the municipalities:

- The number of regions was reduced from 14 (11 *amter* plus three municipalities that also were regions) to five. This regional division was decided upon by the government. The new regions have directly elected councils, but lost their right to raise taxes and will thus be funded indirectly by the state and the municipalities.
- The regions have a significantly smaller area of responsibility than previously, as tasks were transferred to the municipalities or to the state. Healthcare is their main responsibility. They also have some tasks to perform within the regional development area.
- The number of municipalities was reduced from 271 to 98. A minimum threshold of 20,000 was set for the new municipalities. The municipalities were, on the basis of this minimum size, asked to organise their new structure themselves – and they did manage to do so within the envisaged deadlines.
- The municipalities extended their responsibilities in areas like social welfare; spatial planning; the environment and nature; culture; roads; and industrial development and employment.
- Responsibilities transferred from the regions to the state included tax management; secondary education; certain specialised social institutions; task within spatial planning and the environment; and EU Structural Funds.

## Current status

Denmark now has almost two years of experience with the new structure. The general consensus of opinion is that the reform was carried through rather smoothly and that the resulting structure functions well – even if the criticism against the management of hospital services remains the same. Regional and municipal inhabitants primarily view these bodies as service providers, without any strong attachment in terms of identity values. Further amalgamations may even be expected in municipalities that were over the minimum population size and therefore did not go through any structural changes in 2007, as they lost the opportunity to reorganise their service production.

The Danish reform process was initiated by the Government itself, without any supporting research or broad political consensus, and the result was radical. Denmark now has significantly larger municipalities and regions than any of the other Nordic countries. The reform has been presented in the context of a decentralisation process, since the municipalities gained a wider mandate. In practice however, the regions are significantly weakened and their former responsibilities have, to a large extent, been centralised by the state, so decentralisation has in effect become centralisation.

The speed of the process, including the municipal mergers and the replacement of the *amts* by regions, could be taken as a sign of a rather widespread consensus or at least as an indication of the lack of popular resistance to these changes. Danish municipalities are still geographically quite small when compared to their Nordic counterparts (even if they are larger in population terms) and most people seem to be more concerned with service provision than with municipal borders *per se*.

This radical reform was carried out on the basis of a political commitment, without the traditional Danish process of consensus and which we would expect on issues like this, against the advice of most experts - but nevertheless without any strong political or popular opposition.

The history behind the reform is described by Christiansen and Klitgaard (2008) in a book called *The Unthinkable Reform*. They show how a solution (weakening of the regional level) met a problem (the costs of health care) at a time when good political craftsmanship created a window of opportunity. The Conservative Party, together with the right-wing Liberal Party who supported it, had long wanted to abolish the regional level of public administration. The Liberal Party, the other party in the government, had strong support in the municipalities and used this opportunity to strengthen local government at the expense of the regions. The remaining political parties all supported the development of stronger regions, but were not able to mobilise any strong opposition. This includes the Social Democratic Party, which also has a broad municipal basis, but was divided on this issue.

Christiansen and Klitgaard's explanation here is that political goals, for many of the core actors, were more important than actually addressing the challenges at hand – as their solution did not necessarily involve any real structural reform. Political actors are best understood on the basis of their political benefits and the standpoints of the organisations involved are best explained by reference to their long-term interests from a power-perspective. The Danish process is quite rational when assessed on the basis of an analysis of the actors and their interests. The opinion of committees, the conclusions of studies and reports as well as the knowledge of experts were sidelined by the political struggle for power. We will come back to other aspects of Christiansen's and Klitgaard's book in chapter 5.

# Finland – government reform initiative

## Regions and municipalities

Finland only has one level of local government, the municipalities, who in principle are responsible for the vast bulk of public service provision. The municipal structure has remained almost unchanged for almost 50 years with still 436 municipalities in mainland Finland in 2000. Voluntary amalgamations have since reduced this number to 399 in 2008 and probably further down to 332 from January 2009.

The municipalities are rather small, and groupings of municipalities have therefore organised the more specialised services in one-task-organisations – the *joint municipal boards*. Membership in most of these regional organisations is, in principle, voluntary for the municipalities, but fields exist where membership is compulsory, such as for specialised health care (21 regions) and for regional development and physical planning (19 regions).

The current structure was established in the late 1990s, when a reform was implemented in respect of the state county governors, which were reduced from 12 to 5 in number and had their responsibilities redefined in 1997. The present regional level, with 19 inter-municipal regions in mainland Finland, dates back to 1998.

An attempt to better co-ordinate the state's sector policy implementation was implemented in 1995 when altogether 15 T&E Centres were established to take care of tasks within the labour market, industrial development and agriculture fields. Several other ministries also have offices at the regional level.

<b>Finland</b>	<b>31/12 2000</b>	<b>1/1 2008</b>
Number of regions	19	19
Average population of regions	273,000	279,000
Number of municipalities	436	399
Average population of municipalities	12,000	13,000

Sources: Hanell *et al* (2002) and *Statistikcentralen*

Åland is presented later and is not included here.

## Reform initiatives

The regional and municipal structure has been a major subject of discussion over the last few years, and new management structures have been tested in some regions. The focus remains however on the rather small municipalities and the possibilities of strengthening the municipal structure on the one hand and, adjusting the division of tasks within the municipal structure to better fit the challenges facing the public sector, on the other.

A government report “Better service, more efficient administration” was presented in 2004 (Ministry of the Interior, 2004), with a discussion of alternative models for the future. The debate following this report made it clear that widespread resistance exists among the municipalities to structural changes in general, and to a move towards directly elected regions in particular.

A radical new initiative was taken by the government in June 2005, after a change of government. This initiative was not mentioned in the government's declaration of tasks and priorities when it entered office, but came more or less out of the blue when it was clear that the 2004 report did not move the debate forward with a sufficient tempo.

The most important milestones that emerged were as follows:

- The “PARAS project” was initiated by the government in 2005. Its significance was underlined by the fact that the process was chaired by the Minister of Finance. The aims were to evaluate and submit proposals for alternative sets of responsibilities and municipal structures.
- A Framework Act for structural changes was proposed in June 2006, given to the Parliament in September 2006 and was finally implemented in February 2007. This act sets the framework for local processes where municipalities are to propose mergers and answer questions about how they will manage to deliver services in the long run.
- All municipalities were obliged to report their future plans at the end of August 2007 and plans for municipal mergers had to be submitted by the end of 2007 for mergers that should be in force from 1/1 2009.
- The “ALKU project” was initiated by the government in June 2007. The aim here was to reform state organisation at the regional level.
- The final report from the ALKU project will be published in March 2009 and reforms implemented from 2010.

The Framework Act for the Restructuring of Local Government and Services has two thresholds for the size of municipalities. A municipality should have at least 20,000 inhabitants enabling it to take care of basic healthcare and have 50,000 inhabitants for secondary vocational education. This can be compared with the current situation, where half of the municipalities have less than 5,000 inhabitants.

The municipalities were asked to present their plans for future service provision, where the amalgamation of units are one obvious way to increase population up to the thresholds indicated by the law. The alternatives to municipal mergers are more widespread co-operation through joint municipal boards, or for small municipalities to buy their services from neighbouring larger municipalities. Each solution has its drawbacks however as neither solves the financial problems of small municipalities. Seen from the local perspective, the Act respects the municipalities’ independence, but remains rather draconian in reality as all alternatives ultimately reduce local self-governance.

To encourage the process, the government will transfer extra financial resources to merged municipalities, with a larger amount if the mergers occur before the deadline.

This has already led to a few mergers taking place from 2007 involving 28 municipalities which have merged into 13, and more are in the pipeline. From January 2009 the number of municipalities is expected to be reduced by a further 31 when 46 municipalities amalgamate to 14.

In total almost 300 municipalities are reported to be engaged in joint municipal boards with more than 20,000 inhabitants (Ministry of Social Affairs and Health 2007), of which half will buy services from larger municipalities - the so called “host solution”. There are now only a very limited number of municipalities with a population under this threshold who do not intend to either merge with or to co-operate in joint municipal boards.

Most of the rapid economic development in Finland has taken place in the most urbanised regions, and the development here is seen as an issue of importance for the whole country. The Framework Act also focuses on the situation of spatial planning in the largest urban regions in Finland. The municipalities in the capital region and in 17 other regional urban centres have developed common plans for land use, housing, traffic, and specialised regional services.

In June 2007 the Government also initiated a process aiming at a reform of the State regional administration: the ALKU project. The Ministry of Finance published an interim report in April 2008 with proposals for the establishment of two new authorities, recommendations for a transfer of responsibilities from central state administration to regional

state administration and proposals for a new geographical structure. This project is expected to submit its final report at the end of March 2009, and reforms may be implemented from 2010.

### Current status

The Finnish reform process was inspired by the Danish experience. Following the lack of municipal support for the 2004 report (Ministry of the Interior, 2004) the government initiated a top-down process, going as far as possible within the current legislative framework. The main issue is the economy of the municipalities and their abilities to provide the necessary services. "Productivity" is the key word here, i.e. the necessity to increase service production rather than the costs. The belief also exists in Finland that structural change, i.e. municipal amalgamations can help facilitate the emergence of a more efficient public sector.

One of the leading early alternatives was to establish a directly elected regional level but Finland almost unanimously preferred to maintain its two-tiered administrative system, despite the experiences gained by the region of Kainuu where a region was created as part of a pilot experiment. The Kainuu experience is that productivity increased and services have been improved. Nevertheless this was not recognised as a success to be copied in other parts of Finland.

There has however been a change in the debate from the rather strong objections against change visible in the response to the PARAS project in early 2006 to the current discussions on how to implement the Framework Act. Amalgamations and other structural changes in the municipal sector must be voluntary in Finland, but the process is now definitely in progress. It was a top-down initiative from the government, and it seems to have worked as changes have now been implemented – however gradually and in many cases rather hesitantly.

The most recent initiative, to restructure the state administration at the regional level by merging offices and concentrating them in larger regions, may be seen as a logical follow-up to the previous decisions. The division of labour between the municipal sector and the state could have been the subject of discussion if Finland had decided to develop a three-tiered system with elected regions (as in Kainuu). Now, when this is no longer an alternative and the municipalities were to form stronger units and concentrate on service provision, the state is free to change its own structure within the current division of responsibilities.

The first report from the ALKU project suggests a concentration of the state's regional administration into two new agencies. The first having responsibility for administration within the labour market, enterprise development, culture, communications, natural resources and environment fields. The second working primarily with the supervision of the municipalities and legal issues in areas like industrial safety, immigration and environmental protection, etc.

The inter-municipal regional planning boards (in 19 regions) will, according to the proposal, receive extended responsibilities within areas where regional political priorities are to be made, such as educational planning, communications, natural resources and the environment.

The principles used in the interim report from the ALKU project have obvious similarities with those proposed (but not necessarily implemented) in Norway and Sweden – i.e. to make a clearer division between political priorities and administrative implementation, to separate more clearly service provision from legal control, to strengthen the regional level at the expense of the central state administration – even if the regional level in Finland contains both the 19 inter-municipal regions, probably six regional state administrations (with up to nine offices) and the 15 Employment and Economic Development Centres (of which nine will be full-service and six will have the same responsibilities as today).

# Norway – political deadlock

## Regions and municipalities

Norway has three administrative levels; the state, the counties and the municipalities. The County Councils and the Municipal Councils are both directly elected and funded through a combination of income taxes and transfers from the state. They are not subordinated to each other as they have different responsibilities.

The structure of local and regional administration has been historically stable despite the existence of a lively discussion on the future of the regional level. Unlike the Danish and Finnish cases, the municipal level is not subject to discussion in Norway even if a few mergers have taken place since 2000. Several explanations for this exist. One is that the geography of the country – with mountains and fjords – makes it more difficult to see the benefits of geographically large municipalities. Another explanation is based on the strong local resistance to municipal mergers.

Norway	31/12 2000	01/01 2008
Number of regions	19	19
Average population of regions	237,000	249,000
Number of municipalities	435	430
Average population of municipalities	10,000	11,000

Sources: Hanell *et al* (2002) and *Statistisk Sentralbyrå*

## Reform initiatives

As in the other Nordic countries, the question of administrative reform has remained on the Norwegian agenda more or less continuously in recent years. Norway has a tradition of undertaking broad investigations ahead of major reforms, with committees consisting of experts as well as representatives from the involved sectors and ministries taking part. Since 2000, two public enquiries have been delivered, and the government has made its proposals in a White Paper to the Parliament.

This process has had an altogether different timetable to that of Denmark and Finland, it is less top-down and there are no strong political forces behind it. Norwegian governments have definitely not been the drivers of this process, and the largest political parties have all been rather hesitant, since the issue of regions cuts across the “normal” political dividing lines. The Association of Local and Regional Authorities has encouraged a reform and has itself published reports and proposed a new regional structure – which must be interpreted as a political dividing line between party leaders and the government in Oslo on the one hand and their local and regional members in the various municipal and county councils on the other.

The main reports are summarised in the box below.

### Key reports

- *Oppgavefordelingsutvalget* (2000), where the responsibilities of municipalities, County Councils, County Administrative Boards and sector state organisations were discussed. This official report concluded with a proposal for a reduction in the number of regions, but with extended responsibilities.
- Despite the recommendations in the report, the responsibility for hospitals and other specialised health care facilities were, in 2002, transferred from the 19 County Councils to five state owned companies (four from 2007 onwards).
- *Distriktskommisjonen* (2004) analysed the need for a political response to the situation where the policy sectors were strengthened at the expense of territorial co-ordination and the County Councils. Again, larger and more powerful regions were recommended.
- The Norwegian Association of Local and Regional Authorities (KS) presented the report *Sterke regioner* (Selstad 2004) where three different alternatives for a regional reform were discussed, and followed this up in 2005 (KS 2005) and again in 2006 with detailed discussions and specific proposals for the responsibilities the new regions should have.
- The government, in December 2006, presented to the Parliament a White Paper on the regional reform (*St.meld. nr. 12 (2006-2007)*). A timetable was established, where the issue is to be discussed in the regions in 2007, new laws will be debated in Parliament in June 2008, new regional assemblies elected in September 2009 and the new structure implemented from January 2010.
- The parliament discussed the White Paper in April 2007 and proposed an extended list of tasks that should be transferred to the new regions (Innst.S. nr 166 (2006-2007)).
- The responses from the public hearing were summarised and the legal consequences of the proposals outlined in a second hearing paper from the Ministry of Local Government and Regional Development in February 2008.

### Current status

A reform of the regional level has been announced by the government and the Parliament and will be implemented from 2010.

A two-tiered system similar to that in Finland was proposed by the two large Conservative and Liberal parties, but they are in a minority in the parliament. Several representatives from the large cities also support the idea of a two-level administrative system where the municipalities and the state take over the regional tasks. The political majority is however in favour of a three-tiered system, and the main discussion is accordingly about the division of responsibilities between these three levels rather than on the existence of the levels *per se*.

The local administrative structure, i.e. the size and number of municipalities, is therefore currently not an issue under discussion. Given the topography of the country, the opinion exists that it is better to transfer responsibilities of a regional character to regions, and to maintain the many, and small, municipalities' responsibility for local services. A municipal reform following the Danish example could make it possible to avoid a regional level (as a political minority prefer) and would enable a more solid structure to emerge in the more densely populated parts of the country, but this cannot solve any of the problems associated with the vast geographical periphery.

The main question was therefore whether Regions are to replace County Councils, and if so, what responsibilities these regions should have. The Association of Local and Regional Authorities (KS) has taken a clear stand in favour of fewer (7-9) and stronger regions with an extended area of responsibilities.

The government, in its white paper to the parliament, presented two alternatives. The first was to build upon the current 19 counties and to increase their responsibilities (as compared

with the County Councils) independently of any structural change. The second alternative was to have 5-6 regions with a further increased area of responsibility, renamed as Regional Councils. The differences between the two alternatives were however rather limited in respect of the responsibilities. In reality therefore, the government's proposal did not bring forward the link between population size and the tasks that the regions may take responsibility for – a position that effectively removed the most important incentive for regional mergers.

For KS the government's proposal was a disappointment, since the tasks to be transferred from the state to the regions were quite limited as compared to their own proposal. The government's stand is clearly out of tune with the views of the regional administrations, highlighting the political divide between the central party administrations and the ministers on the one hand, and the local parties on the other, as centrally located politicians tend to be less in favour of strong regions independent of the political party they represent.

The debate in the municipalities and the county councils was divided into two periods – the first *before* the local and regional elections in September 2007, and the second *after*, when the new councils were in place. Of the 19 County Councils 11 were in favour of new Regions while eight want to maintain the current Counties. Based on the hearing no voluntary regional mergers will probably take place. The general view here is that the carrot (i.e. the new tasks) is too small to justify a reform.

In February 2008 the Ministry of Local Government and Regional Development summarised the position of the Government and made specific proposals for changes in responsibilities. This paper was again sent on a public hearing, this time with a deadline at the end of April 2008. At this point, the government announced that a regional reform will *not* be implemented. The responsible Minister, Magnhild Meltveit Kleppa, said that mergers should only be carried through voluntarily, and no such initiatives had been proposed. This then effectively stopped the process towards a broad regional reform in its tracks.

Two forces have been decisive here. The first was when the government, in their December 2006 White Paper, dismissed the link between the size of a region and its responsibilities. The suggested responsibilities were so limited that any mergers of County Councils became unnecessary.

The other force is more concerned with power and with the general view of the governance structure. Sector agencies and ministries do not of course want to give away any of their powers and will always argue against any changes in that direction. The political resistance against changes is the same as before, where the Conservative and right-wing Liberal parties prefer a two-tiered system and do not want to contribute to any strengthening of the County Councils, while the Labour party (which is officially in favour of the current three-tiered system) does not want to give the regions any broad new responsibilities as this would contribute to the survival of the County Councils. The County Governors, who are former politicians and have retained their political affiliations as well as their tactical skills, have recently used the opportunity to take a new initiative to strengthen their position *vis a vis* the County Councils by proposing extended tasks for their own organisations (Johnsen 2008) despite the New Public Management principles that have become dominant in Norway.

The reform process is now in something of a political deadlock. The County Councils remain as they are in terms of numbers and size. They will receive an enhancement of their responsibilities – albeit limited as compared to initial ambitions – while the issue of their long-term survival remains unsolved. The Norwegians find themselves back at square one despite almost 10 years of discussion.

# Sweden – reform proposals from below

## Regions and municipalities

Sweden has a three-tiered administrative system with municipalities, county councils and the state. The state is represented at the regional level through County Administrative Boards and several sector authorities with regional organisations. The trends over the last 10 years have been towards increased sector fragmentation of the public administration, at the expense of territorial co-ordination. Several studies and reports have identified weaknesses in the Swedish administrative structure, and the current situation is sometimes referred to as “the regional mess”.

In 1997-98, the two regions of Skåne and Västra Götaland were established through amalgamations of former County Councils. The new regions were – on a trial basis – given responsibilities from the state and from the municipalities. At the same time, the government’s County Administrative Boards were also merged to follow the same geography as the regions.

The new regions were positively evaluated in 2000, but a continuing process towards the devolution of more responsibilities or towards the establishment of more regions on the same model did not take place. Instead, the government offered the municipalities the ability to form county-wise regional councils, indirectly appointed and with a limited list of responsibilities in line with the Finnish Regional Councils. Following a law in 2002, fourteen Municipal Co-operation Bodies have thus far been established. These are however rather weak as they have limited responsibilities and build all their decisions on consensus.

Sweden	31/12 2000	31/12 2007
Number of regions	21	21
Average population of regions	423,000	437,000
Number of municipalities	289	290
Average population of municipalities	31,000	32,000

Sources: Hanell *et al* (2002) and *Statistiska Centralbyrån*

## Reform initiatives

The Swedish Committee on Public Sector Responsibilities, *Ansvarskommittén*, was appointed in 2003 to clarify the division of responsibilities between the different levels of government. One of the challenges identified by the Committee was the drawbacks of the on-going sectorisation:

*... the regional level today is confusing and fragmented, with a large number of actors whose tasks are ambiguous and often overlapping, a regionalisation that differs from sector to sector making co-ordination even more difficult (SOU 2007:10, English summary p 2).*

In the final report, published in February 2007, a suggestion for the establishment of regions was therefore one of the core issues. A system with a clearer division of responsibilities and a regionalisation that is the same for the state and the local government sector was proposed. The County Councils should be replaced by 6-9 directly elected regional authorities with overall responsibility for regional development and health care.

The process forward, as proposed by the Committee, was:

- Public hearing of the proposals until September 2007
- Agreement on the reform and the new geography at the regional level in 2008
- Elections to the new Regional Councils in September 2009
- Implementation of the divisional reform from 2011

## Current status

Both the conclusions and the timetable have been supported by the Swedish Association of Local Authorities and Regions, and have gained broad support throughout the country and across the political board. The outcome of the public hearing did, as far as the municipalities and county councils are concerned, confirm the Committee's analysis of the current situation as well as the will to proceed.

The political parties at the national level are however more reluctant. The Social Democratic Party, which appointed the Committee on Public Sector Responsibilities, later proved to be less enthusiastic, and the former Prime Minister now states that he is against the Committee's proposal. And the Conservative party – which has held the Prime Minister position since 2006 – in June 2007 took the stand that a reform should not be enforced top-down but be subject to the will of the regions in question, which also signals a positive attitude towards an asymmetric system where responsibilities may differ from one region to the next (as is the case today in Sweden).

The key issue at the current time of writing is therefore the process within the regions, where municipalities and county councils are discussing which solution may best fit their own interests. The counties of Skåne, Västra Götaland, Halland and Gotland have already applied for a new status as regions, while others are in the pipeline. Stockholm County is the only negative actor here and wants to maintain the status quo despite the fact that several other counties want to form a new region together with Stockholm.

A mediator was appointed by the government to stimulate discussion across the country and to look after the state's interests in this process, and he delivered his report on 26 May 2008. This report confirms that a 90% majority of the respondents in the public hearing supported the proposal for new and larger regions, including close to 100% of the municipalities, and that there is a willingness to continue the process in almost all counties and political parties – with the Conservatives and Stockholm County Council being the main exceptions (Björklund 2008). The proposed regions will not, however, as we understand it, create a robust new structure where larger regions take on new responsibilities, since three of the concrete proposals are too small to motivate any changes in tasks.

The next step is then for the government to decide whether it wants to proceed as signalled previously, i.e. allow County Councils that wish to merge with each other to form new Regions in order to do so. This decision must be taken in early 2009 if the new Regional Councils are to be elected in the 2010 elections. The alternative is to postpone any changes until after the 2014 elections.

As in Norway, there is in Sweden a political divide between the Conservatives and the Social Democrats on the one hand, and the Liberals on the other. Similarly, again, as in Norway, this divide runs straight through the government. A third common factor is the divide between the national and regional politicians, where most elected representatives in the municipalities and county councils are in favour of a broad reform while the parties at the national level and the parliamentarians are significantly more sceptical of stronger regions with increased responsibilities.

The reform process was initiated by the Social Democratic government and has continued under the present Conservative/Liberal government. Leading forces within the two largest parties, the Social Democrats and the Conservatives, have for a long time been negative towards the county councils and are constantly looking for an opportunity to reorganise this level of government. They probably did not expect the committee to agree unanimously on a proposal for a stronger regional level, as they did: the committee delivered the “wrong” answer, so to speak. To continue the process thus became somewhat problematic. The current Conservative/Liberal government decided to let the regions themselves discuss the issue without any recommendations in favour of change, and was probably surprised to see such a willingness for reform emerge from below – which again creates a challenge for a government that is divided on the issue. The negative attitude was again confirmed by the Conservative's

Party secretary (and spin-doctor) when, in the course of an interview on 22 May 2008, he repeated that he cannot see any advantages in any new structure (Schlingmann 2008).

The task is now back in the hands of the Swedish government, after five years of discussion all over the country involving thousands of people and with broad agreement on the analysis as well as the way forward. It remains to be seen, however, if the political will is there at the central level to carry through the structural reforms that the local and regional politicians recommend.

## Iceland – reforms if locally initiated

### Regions and municipalities

Iceland has a two-tiered administrative system with the state and the municipalities as the only levels of administration. Unlike Finland, Iceland does not have an indirectly elected regional level.

Many Icelandic municipalities are small in population terms. The average municipality has ca 4,000 inhabitants, while the median size is ca. 500 inhabitants. The smallest are agricultural communities without any village, in some cases with a population of only 50 inhabitants. At the same time, Iceland is an urbanised country where the capital region's share of the population is about 75% if we look at the travel-to-work area. There is therefore a diverse structure, with a very limited number of relatively large municipalities and a large number of extremely small ones which are often located far from other settlements.

The tasks of the local government are also more limited in Iceland than in the other Nordic countries. The municipal structure makes it more difficult to use the local government structure as a vehicle for welfare delivery.

A more robust structure of local government has been seen as a precondition for the development of the municipal sector particularly in respect of it gaining more responsibilities. The Icelandic government has therefore repeatedly encouraged municipal mergers, but until recently with only limited success. The parliament has in principle said that amalgamations shall be voluntary and that it must have popular support in all of the municipalities concerned. And with widespread resistance against change, especially in the smaller municipalities, it has been impossible to implement a broad reform that also makes it possible to change the division of responsibilities between central and local government. There were 229 municipalities in 1950 and 204 in 1990, but significant change has occurred in the last 15 years and the number is now down to 78, of which 14 have a population of less than 200.

Iceland	31/12 2000	1/7 2008
Number of regions		
Median population of regions		
Number of municipalities	124	78
Average population of municipalities	2,300	4,000

Sources: Hanell *et al* (2002) and Ministry of Transport

### Reform initiatives

The most recent Icelandic reform initiative was in 2003, when the Ministry of Social Affairs in co-operation with the Federation of Municipalities launched a process towards strengthening the local level of government. The main objective was to improve the municipalities' capacity to provide public service, increase their responsibilities and to develop democracy by making a better fit between the local government structure and the functional service and travel-to-work areas. A more robust structure with larger municipalities would make it possible to decentralise

certain public services from the state to the local level. This required municipal mergers as well as a revision of the funding of local government.

This was a top-down reform initiative, quite similar to one earlier initiative in 1993 which failed, with reform proposals followed by referendums in the municipalities concerned. Eythórsson (2006) analysed the outcome and proposed several explanations:

- The initiative came from above, even though the Federation of Municipalities was involved. There is in Iceland a general scepticism against top-down initiatives. Inhabitants of small municipalities do not believe that their interests will be taken care of in larger structures.
- Important questions about the allocation of responsibilities between the state and the local level were not resolved at the time of the referendums, which contributed to weakening the arguments for a stronger and more decentralised public sector.
- People in the less central municipalities are, in general, negative towards municipal mergers since they believe that “big fish always swallow the small fish”.

Despite the limited success of the 2005 referendum, some municipalities have proceeded towards amalgamations. At the time of local government elections in spring 2006, the number of municipalities was reduced to 79, from 104 in the 2002 elections.

#### **Key milestones**

- *Initiative taken in October 2003*
- *A first report presented in spring 2004 on the issue of responsibilities and competencies. Proposals dependent on the outcome of the structural reform.*
- *A second report presented in March 2005 on a new municipal structure. Proposed 17 new municipalities to replace 66 existing ones.*
- *A third report, concerning the economic consequences of reform, was never concluded*
- *Referendums on municipal amalgamations in October 2005, with negative majorities in 2/3 of all cases.*
- *Two of the 17 proposals were implemented, while 15 were rejected.*

#### **Current status**

There seems to be a widespread wish in Iceland to strengthen the local level of government. The municipalities' share of public sector employment is about 30%, which is considerably less than in other Nordic countries.

The responsible ministries as well as the Federation of Municipalities have long worked towards a more decentralised situation where the municipalities have responsibility for local services. They took on responsibility for primary schools, and the next step will probably be to take over new responsibilities in the field of services for handicapped and elderly citizens.

The municipal structure is however seen as a major impediment to this development, and structural reforms commenced in 1993 and 2003 – both failing. Thus no plans currently exist for similar top-down initiatives.

Discussions in respect of new responsibilities are however expected to continue. As when responsibility for primary schools was transferred to local administrations in 1996 this is expected to increase the pressure on the small municipalities. As long as inhabitants continue to reject structural change in the mandatory referendums it will be necessary to develop alternative forms of local service provision. Icelanders have here been looking towards Finland and their systems for single task co-operation bodies organised as joint municipal boards. Also the Norwegian “host-model” is being looked at where smaller municipalities buy services from nearby towns.

It is interesting to note that the Federation of Municipalities has twice participated in a process that obviously lacked popular support. The main division line seems however to be

between those actively engaged in local politics and their electorate rather than between the Federation and its members.

For outsiders, the resistance to municipal amalgamations may be difficult to understand in situations where units are too small to deliver the services they are obliged to. One possible explanation here relate to the Local Authorities' Equalisation Fund, which assists the economically weakest municipalities to fulfil their service obligations. Another factor may be the uncertainty that follows structural change. Resistance is most pronounced in small communities. There tends also to be a large negative female vote in the referenda, and an important factor here is probably that women tend more often than not to work for the local municipality, and they also in many cases bear the main responsibility for the daily life of their families. Municipal amalgamations will therefore potentially bring changes regarding the daily routines of families and as such resistance is a natural human reaction. There is of course a significant distance between administrative structures and people's daily life.

## The Faroe Islands – a reform is emerging

### Regions and municipalities

The Faroe Islands is an autonomous territory within the Kingdom of Denmark with a total population of 48,600 living on 18 islands. The islands are divided into 34 municipalities, which is a reduction from 49 in 2000. There is no regional level of public administration.

A report on the future municipal structure in 1998 proposed to reduce the number of municipalities from 49 to 7-9 (*Kommunereformudvalget*, 1998), a number that is in fact quite similar to the original structure from 1872 when there were eight municipalities. The division of responsibilities between the government (*Landsstyre*) and the municipalities should be based on the principles of proximity to population and on efficiency in service production. Those making decisions also shall have the financial responsibility.

The report was followed by an *Act on voluntary amalgamations* (2000) which indicated that 2,000 inhabitants was the minimum population size for a municipality. A number of mergers have subsequently been implemented but there was also strong local resistance to municipal amalgamations and no comprehensive reform has been carried out.

In 2007 the Act on voluntary amalgamation was extended to further apply for any collaboration between municipalities, prescribed by law. In addition the Act appoints the number of merged units to seven.

Currently only three municipalities have a size above the proposed 2,000 inhabitants while 15 have less than 500 inhabitants. The Faroese municipalities are more a basis for local democracy and identity and less a provider of local services, something that may explain the lack of support for efficiency-based arguments for the organisation of local government. The trend in the early 2000s has however been towards an extended role as service providers. The municipalities became responsible for child care from 2000 at the same time as the Faroese government took full responsibility for the care of the elderly.

<b>The Faroe Islands</b>	31/12 2000	01/05 2008
Number of regions		
Average population of regions		
Number of municipalities	49	34
Average population of municipalities	900	1,400

Sources: [www.dk.wikipedia.org](http://www.dk.wikipedia.org) and Hanell *et al* (2002)

## Reform initiatives

A new government came into office in February 2008. In their Coalition Paper the incoming government stated that:

*Regional development initiatives and changes to the municipal structure shall ensure fair and balanced development opportunities for all areas of the Faroe Islands (...) Together with local administrations we will set a deadline by which municipalities must have grouped into suitable entities, which can take on more and bigger tasks and ensure an even standard of services throughout the country.*

In the opening speech to the Parliament on the 29th of July 2008 the Prime Minister, Jóannes Eidesgaard, expressed the government's view on local government:

*An important part of democracy lies in decisions being made as close to the citizens as possible, and this is one reason why more and more functions are being transferred to the municipalities. Another reason is that by doing this we can allocate exciting and challenging tasks that call for people with high qualifications. This will attract young people to the regions. The local tax system needs to be revised and replaced with a more solidarist tax system, and there is also a need for an equalising system. These changes will require larger and stronger units. The number of units is steadily decreasing; still the number has gone down only from 48 to 34 since 2001. Merging is not the sole aim of this scheme, but is considered to be the basis for development in the regions. Therefore, the government has decided to reduce the number of municipalities to 7 within this election period. A reasonable date for achieving this is 1st January 2010. Such re-adjustments may be hard to accept for people, who are anxious about losing their identity; but I am convinced that although the municipalities get bigger, the sense of local identity can still be maintained.*

These very new signals from Prime Minister Jóannes Eidesgaard clearly envisage that preparations for a structural reform will start very soon, since this is necessary to be able to implement a new municipal structure within 1.5 years. The arguments used in favour of reform are based on efficiency, and there are frequent references in the Faroese debate to previous successful amalgamations where new units are becoming stronger and produce better services especially on the technical sector. There is however local resistance to structural reform, where one often refers to identity values and claims that changes are not necessary as the local units are doing fine on their own. There are two associations for local government in the Faroe Islands, one for large municipalities and one for small ones, which of course gives the small units a stronger voice in the public debate than they have elsewhere in *Norden*.

The argument that a stronger municipal sector may take on more responsibilities, as alluded to in the Prime Minister's speech referred to above is also common. There is in all countries a connection between size and responsibilities, but in the Faroes the establishment of a new structure is preferred first with decisions on the tasks taking place only afterwards – which is the opposite of e.g. the Swedish or Norwegian attitude.

The local level of government is protected by law, but the law does not say anything about the number of municipalities and it is possible for the Faroese government to carry out a reform without any local referendums. Local resistance reminds us of the situation in Iceland, but a top-down reform is possible in the Faroe Islands as in the other Nordic countries – event if the process here is significantly less top-down than in Denmark and Greenland.

## Current status

By 2009 the number of municipalities will be down from 49 to 31 based on decisions already made. Further negotiations are currently in progress, and the number of units will be down to 28 if all these lead to amalgamations as planned. Half of the units will then have more than 1000 inhabitants from next year onwards.

The recently elected Government has announced a more comprehensive reform from 2010, basically following the principles recommended by the *Kommunereformudvalg* in 1998. How this reform initiative will be carried out, and the likely outcome of the process, is too early to say.

## Greenland – the largest municipalities in the world

### Regions and municipalities

Greenland is an autonomous territory within the Kingdom of Denmark. The total territory is 2.2 mill. km<sup>2</sup>, of which 410,000 km<sup>2</sup> is ice-free – i.e. almost the size of Sweden. The coastline is more than 44,000 km long and there are no internal roads between the 60 settlements. The population is however limited to 56,600. This certainly creates some distinctive challenges for local government.

The private sector is less developed in Greenland than in other parts of the Nordic countries, and the government is more extensively involved in production than elsewhere and also has greater responsibility for service production.

Greenland has 18 municipalities. Their responsibilities are quite limited as compared with other parts of the Nordic countries. They are responsible for primary education, while the bulk of services within healthcare are provided by the government.

There are two administrative levels; the national (home rule) and the municipalities. There is no regional administrative level in Greenland.

Greenland	31/12 2000	01/01 2008
Number of regions		
Average population of regions		
Number of municipalities	18	18
Average population of municipalities	3,100	3,100

Sources: [www.statgreen.gl](http://www.statgreen.gl), [www.kanukoka.gl](http://www.kanukoka.gl) and Hanell *et al* (2002).

### Reform initiatives

Partly inspired by the reforms in Denmark, Greenland is now in the middle of a process of municipal amalgamations. The number of municipalities will be reduced from 18 to four from January 2009, which probably make two of the new municipalities the largest municipalities in the world – as least when measured in km<sup>2</sup>.

Population-wise they are of the same average size as those in Finland and substantially larger than in Iceland, the Faroe Islands or Åland. Currently Nuuk is the largest municipality with 15,000 inhabitants and Ivittuut the smallest with less than 200 inhabitants. The proposed new municipalities will have between 21,000 and 7,800 inhabitants.

In 2005 a committee proposed a new structure for the public sector (*Strukturudvalget* 2005), based on the following conclusions:

- Legal and supervision tasks shall be the responsibility of central government (*Landstinget* and *Landsstyret*).
- The number of municipalities shall be reduced to four. A number of tasks shall be transferred to the new municipalities, which should have a minimum size of 8,000 inhabitants to be able to take responsibility for their extended tasks.
- Central Government shall have responsibility for tasks where the quality of service provision would otherwise be reduced.

The aims of the new structure were to establish a more efficient system of service provision, to secure the legal rights of the citizens and to increase accessibility to the public sector. Key measures here include municipal amalgamations, increased competence within public sector staffing and the establishment of local service centres in the villages where inhabitants have access to all parts of public administration.

The timetable includes the following steps:

- The municipal structure was agreed in early 2007.
- New municipal councils elected on 8 April 2008.
- The new councils were established from May 2008 and uses the next eight months to prepare for the new structure (while the old councils remained responsible for service production).
- The new municipal structure shall be implemented from 1 January 2009.
- Revisions of responsibilities are implemented in the election period 2009-2013, where tasks are transferred from the Greenland government to the local government in particular within the care for the elderly and the handicapped, pensions, housing, labour market measures, family policies, harbours, water supply, communications and spatial planning sectors. Responsibility for education, specialised health care and regional policies remain with the Greenland national [or home rule] level.

The arguments used by *Strukturudvalget* (2005) are to a large extent focussed on efficiency in service production: larger municipalities, with a minimum of 8,000 inhabitants, will be created with a view to facilitating the decentralisation of the public sector while also enabling better economic planning. Larger units will make possible a more specialised administration and therefore an increased level of professional competence, which in turn will improve the service quality and provide a better guarantee to the individual citizen in respect of their civil rights. The municipalities shall at the same time maintain a decentralised presence in the villages, through the service centres.

The weaknesses in the current system are described mainly through two arguments. The first is that the large number of small municipalities by necessity must be run by generalists with limited possibilities for specialisation, and the second is that this structure makes it difficult to implement new IT solutions for the management of local administration.

### Current status

The new municipal structure will be implemented from 1 January 2009 while the reorganisation of tasks has already begun. No clear public opposition to the reform process has emerged. Discussions in the press during the summer of 2008 focus more on the question of implementation, as there have been complaints about the funding provided for the new incoming local governments.

The debate in Greenland has many similarities with that in Denmark, with a focus on efficiency, accessibility and quality in the local administration. This is rather different from the Icelandic or the Faroese debate, where identity issues are more outspoken and efficiency issues remain in the background.

## Åland – transfer of tasks to the region

### Regions and municipalities

Åland is an autonomous territory within the Republic of Finland, with a total population of 27,000. The local administration is organised into 16 municipalities, of which three have more than 2,000 inhabitants and nine have less than 1,000. There is a regional division for statistical

and regional policy purposes consisting of three regions with an average population of 9,000 inhabitants, but no regional level of administration exists.

Despite their size the municipalities have the main responsibility for social services, primary education, spatial planning, technical services etc., where standards are established through legislation. Their responsibilities are significantly broader than in the other parts of the Nordic countries where municipalities are equally small, i.e. in Iceland and the Faroe Islands.

Åland	31/12 2000	31/12 2007
Number of regions		
Average population of regions		
Number of municipalities	16	16
Average population of municipalities	1,600	1,700

Sources: Hanell *et al* (2002) and *Statistics Finland*

### Current status

Discussion on the responsibilities and size of the municipalities is part of a broader debate about the future role of the public sector in general. The main alternatives discussed are as follows:

- To maintain the present structure and to develop inter-municipal co-operation solutions in respect of specialised (and often expensive) public services.
- To make the municipalities larger through mergers, and to maintain their broad responsibility for service production.
- To maintain the local administrative structure and move tasks from the municipal level to the Åland level.
- To make one municipality of the whole of Åland.

Debates in Åland are of course also influenced by ongoing developments in Finland and as well as those in similar Nordic islands like the Faroe Islands, Gotland and Bornholm. The issue of structural reform is not however currently on the political agenda. The reason for this is probably that Åland has access to a tool that they do not have in the Finnish mainland: the level of Åland itself – i.e. the possibility to change the list of responsibilities between different levels of government. The government of Åland is already responsible for secondary education and health care, i.e. services that are a municipal level responsibility in Finland. It is also possible to make changes in the financial system in order to render structural reforms less necessary.

Åland is therefore the only part of the Nordic countries where changes in municipal and regional structures are *not* on the political agenda, although of course they are politically debated. The small municipalities are defended mainly on the basis of heritage/local identity, democratic values and a fear of centralisation, while those in favour of change highlight arguments like competence and the ability to fulfil legal commitments. Efficiency arguments are used primarily by representatives of the business sector.

Efficiency and economic benefits are however less prominent in the debate here than in other Nordic countries and regions, probably because it is already possible to change the division of labour between the municipalities and the government of Åland to meet economic challenges, without embarking on a politically much more difficult process of municipal amalgamation. Åland has therefore an agenda for changes in responsibilities but not one for change in administrative structures.

## 4. Typology of arguments

Administrative reform is intensively discussed in each of the Nordic countries and self-governing areas. The aim of this Chapter is to highlight the main categories of arguments used – both in favour and against such reforms.

There are two types of discourses about structural change. The first is found at the research level, in reports and books and in broad public enquiries like the Norwegian NOU reports and the Swedish SOU reports. The subject is analysed logically and standpoints are described and explained in a transparent way – or at least this is the ambition. It is possible to present arguments in favour of as well as against change, and these arguments can be balanced against each other and a practical way forward proposed.

The political discourse is different, as belief and ideology are more important than research-based evidence. A political discourse is by nature looking for conflict rather than compromise. It is often a question of political power and positions, and arguments for or against a particular reform may be explained by the position of those deploying them. Strong individuals in important positions may have an important influence on the events. The political debate is sometimes like a theatre performance, where the characters play their roles and deliver the lines expected of them. The origin of such arguments of course often explains their content and usage.

In order to make the discussion of the arguments utilised in this respect more manageable and to avoid drowning in the detail of each individual argument, four main categories have been identified. These categories emerged from a reading and discussion of the documents in which the arguments have been put forward. Each category contains arguments of differing quality, with varying *foci* and which can be used both for and against a certain aspect of the envisaged reform. The categories are as follows:

- Democracy
- Efficiency (including co-ordination issues)
- Economic growth
- Process

We used three kinds of sources. The first is official reports, white papers etc., where possible changes are discussed and in many cases proposed. Some of these reports discuss *pro* and *contra* arguments providing us with arguments over a broad spectrum of issues.

The second main source is articles and debates, where the participants use arguments in support of a specific standpoint. The arguments utilised here are often narrower and less balanced, but are in many cases to the point and quite illustrative for our purposes.

The third source – important for our understanding of the first two – is discussions and interviews with a network of people with an intimate knowledge of the debate in their respective countries.

There is a vast volume of information here, and thus it is difficult to obtain a broad overview of all countries. The selection of arguments was made on the basis of discussion within the research team and the project reference group.

Finally, before we begin scrutinising the arguments: It may be confusing that in the following tables we mark one and the same arguments with two arrows, one pointing upwards (for reform) and one pointing downwards (against reform). The reason for this is that some arguments are used both for and against a particular aspect of administrative reform.

# Democracy

Arguments relating to aspects of democracy have been used, particularly in Norway and Sweden, but also in Iceland. Democracy arguments are less frequently sighted in Denmark and Finland, where the primary focus on the municipal sector focuses on the delivery of services. One explanation here may be the degree to which administrative structures carry the values of identity, with the difference between Greenland and the Faroe Islands serving as an example: reforms are difficult to carry out in the Faroes where distances are rather limited, while the new structure in Greenland will lead to municipalities which, in geographical terms, are larger than most European countries and obviously do not have any form of identity attached to them.

The following table provides a brief overview of the main arguments relating to democracy signalling the countries or territories in which countries they have been deployed. Thereafter the individual arguments will be presented in further detail.

	Denmark	Finland	Iceland	Norway	Sweden	Aland	Green-land	Faroe Islands
Larger and stronger regions can take on new responsibilities and make decentralisation possible				↗	↗↘			
Larger and stronger municipalities make possible the devolution of regional and state responsibilities	↗	↗	↗	↘			↗	↗
The municipal level is stronger without an elected regional level	↗	↗↘		↘				
Small units are more democratic			↘	↘	(↘)	↘		↘
People are not concerned about the regional level – it is not a strong democratic level anyway				↗↘	↗↘			
A common identity is necessary for administrative units		↗↘	↘	↘	↘	↘		↘
Larger and stronger municipalities have better control of their finances	↗	↗	↗			↗		

↗ argument used for reforms

↘ argument used against reforms

## Large and strong regions make decentralisation possible

The argument goes	Larger regions have more resources and become stronger. This allows for a decentralisation of responsibilities from the state to the regional level, which in turn will increase democracy
The argument is used in favour of	Regionalisation and elected regional bodies Municipal reform (in the case of Iceland)
The argument is used in	Norway and Sweden

Stronger regional units are able to take on a broader set of responsibilities. The fact that their portfolios of responsibility are being widened at the expense of the state means that this will be a process of decentralisation. Moreover, stronger regions with elected councils will strengthen local and regional democracy. Decentralisation is used as an argument in favour of regionalisation especially in Norway (e.g. NOU 2000:22) and in Sweden (e.g. Knape *et al* 2007).

The core of this argument is that development over time has strengthened the central level of government at the expense of the regional and local levels, since responsibilities and power has primarily been developed within state agencies. Many of these agencies have a geographical dimension, but are most often to be found working with a small number of regional offices. To transfer tasks from state agencies (and their non-elected county governors and director generals) to elected bodies at the regional level will then both be a measure of decentralisation and, at the same time, will give more power to politicians and hence strengthen democracy.

Regions with a broader mandate and more resources will provide citizens with increased influence over important parts of public policy. Lindström (2007) exemplifies this by arguing that a larger and unified Region Norrland will be more powerful and will be able to represent the region better, both in domestic and international contexts.

These arguments are however also used *against* reforms. Stronger regions with a broader set of responsibilities will be able to stimulate the development of their respective territories. Since some regions have better preconditions for economic development than others, there is a risk that this will increase the differences *between* regions. Those using this argument do not question the potentials of regionalised development policies, but they do fear that central government will allow growing differences in development paths across a country when parts of their policy responsibility endowment are decentralised. The Swedish *Ansvarskommittén* argued along these lines when they recommended dividing the capital region into two parts, as did Magnusson (2007) when he explained why they recommended strong regions where travel-to-work areas are included in one region - but nevertheless wanted an exception for the capital region to prevent it from becoming politically so strong that the national balance was threatened.

### Large municipalities make decentralisation possible

The argument goes	Larger municipalities have more resources and become stronger. This make possible a decentralisation of responsibilities from the state and the regions to the local level, which in turn will promote democracy
The argument is used in favour of	Stronger municipalities
The argument is used in	Denmark, Finland, Faroe Islands, Greenland, Iceland and Norway

This is basically the same argument as the previous one, but used one step down the administrative hierarchy.

The core of the Danish reform was effectively a transfer of tasks and responsibilities from the regional level to the state level as well as to the municipalities. The municipalities were the winners while the county councils were the losers, and this was marketed as a local democracy reform as more responsibilities were transferred to organisations closer to the people.

To strengthen the municipalities at the expense of the regions has also been proposed in Norway, by parties that want to see a weakened regional level (see e.g. St.meld. nr. 19 (2001-02)). In addition, representatives of the larger cities are eager to take on new tasks but find themselves restricted by the fact that so many of the other municipalities are too small to handle extended responsibilities. This argument is however used basically as an argument against change in the regional structure – as municipal reform has not been on the agenda.

Finnish municipalities are small, but have broad responsibilities which traditionally have been solved via a system of municipal co-operation agreements. This has been criticised as a system with a democratic deficit, since these indirectly governed agreements make it more difficult to call for political responsibility. Many small municipalities are without any realistic alternatives and in reality no longer function as independent units of government. Therefore, the argument goes, will larger municipalities be more democratic.

A similar way of reasoning is present in the report from *Kommunereformudvalget* (1998) in the Faroe Islands and *Strukturudvalget* (2005) in Greenland. Larger municipalities will make possible the transfer of a wide range of tasks from the Home Rule to the local government level. In Greenland this is combined with a proposal for new local offices in the villages from where all kinds of municipal services will be accessible.

The issue of municipal reform has been to the fore in the Icelandic agenda until recently. One argument here is that municipal amalgamations are necessary to produce a more robust local government, which in turn is a precondition for increasing the responsibilities of the municipalities. Larger municipalities are better placed to deliver more extensive and better quality services – which in turn is an issue of democracy when the level of the public sector services increases over time. The 1996 transfer of primary schools from the state to the municipalities caused extensive fiscal problems for some, and encouraged them to consider amalgamation (Eythórsson 2006). Larger municipalities may take on more responsibilities, which become more democratic since more important decisions are made locally.

### The municipal level will be stronger without a regional level

The argument goes	The local level will get more power in a two-tier system than in a three-tier system
The argument is used in favour of	Abolishing the regional level (or not introducing it)
The argument is used in	Denmark, Finland and Norway

The large urban municipalities in particular often point to the fact that they are able to take on a larger set of responsibilities than the smaller municipalities. The Finnish two-tier system provides the municipalities with broad responsibilities where large towns and cities themselves necessarily provide a wider range of services than smaller municipalities can ever hope to do. A tradition of utilising asymmetric administrative solutions also exists in several other Nordic countries where Oslo and Gotland are at the same time both county councils and municipalities (as was also the case for Bornholm, Copenhagen and Fredriksberg until 31.12.06).

The argument is that a two-tier system – without any regional level – makes it possible to have a local level with broader responsibilities, which may be seen to support local democracy as decisions are then taken closer to the citizens. This has been one of the arguments used in Finland against reform towards a three-tiered administrative system and at the same time in favour of a municipal reform.

The argument is also frequently deployed in Norway where the larger cities argue for an asymmetric solution so that they can, for instance, take over tasks from the regions (such as secondary schools).

The argument builds on the assumption that political decisions will be taken by the municipalities if there are no regional politicians in county councils. This was used in the Danish debate to split the municipal sector, by highlighting the differences in interests between large and small municipalities and between the Municipalities Association and the County Councils Association.

## Small units are more democratic

The argument goes	The size of a region (population, geographically) has an impact on the relationship between the citizens and their politicians
The argument is used in favour of	Maintaining small administrative units
The argument is used in	The Faroe Islands, Iceland, Norway, Sweden and Åland

This argument is based on the precondition that ensuring the proximity of the electorate to their politicians is a necessary element of a well-functioning democracy. If municipalities or regions become larger, the distance will increase and the democratic element less pronounced.

This is frequently heard in Norway and Sweden, where the argument is that democracy will suffer from enlarged regions, as the level of contact between citizens and the politicians becomes weaker as the distance between them widens. This is used as an argument for small regions by *Oppgavefordelingsutvalget* (NOU 2000:22). One Swedish example among many is Söderström (2007), who argues that larger regions imply longer distances – mentally rather than geographically – and more anonymity, and therefore will have negative impacts on democracy.

In Iceland one argues that large units will lead to more distant administrations, less interest in politics and community development (apathy) and hence to less democracy (Eythorsson 2006). Similar arguments are also heard in the Faroe Islands and in Åland, where small communities fear that their voices will become lost when small and more remote municipalities amalgamate with stronger neighbours.

Objections however exist to the smaller-is-better view in Iceland and Åland, as strong politicians in smaller societies are sometimes accused of serving their own interests. It is more difficult to achieve an objective implementation of municipal policies if strong personal links are involved.

## People are not concerned with the regional level

The argument goes	People are not interested in policies at the regional level
The argument is used in favour of	<ul style="list-style-type: none"> <li>• Necessary to strengthen the regional level politically to make it more interesting</li> <li>• The regional level could be abolished completely, as people are simply not interested anyway</li> </ul>
The argument is used in	Norway and Sweden

Participation in regional elections is lower than in the national and local elections. This is often understood as representing a general lack of interest in politics at the regional level and as an indication of the weak democratic basis of the regions. This is used as an argument for reform as well as an argument against them.

In Norway, the *Oppgavefordelingsutvalg* (NOU 2000:22) argues that the participation level in regional elections can be improved if the regional level becomes more important to the people. This is confirmed by Nilsson (2007), who describes how public interest in policies at regional level rose after the reform in the Swedish region of Västra Götaland was enacted. He therefore concludes that the establishment of stronger regions may increase people's interest thus strengthening democracy.

On the other hand others argue that 30 years of regions has not worked. Therefore, larger regions, which are even further away from the citizens, will not change anything (see e.g. Rattsø and Sørensen 2007) while Björck (2007a) characterises the whole debate on regions as an elite

project. He argues that people are not interested in these matters, and therefore no reforms should be made. The lack of interest is also used in Finland to argue against one of the three original alternatives, i.e. the regions.

Schlingmann (2008) argues the same way when he states that a reform must have popular support and cannot be decided until after the next general elections, i.e. as an argument used to propose a postponement of a process his party does not support.

### A common identity is necessary for administrative units

The argument goes	A common identity is difficult to establish in a new and larger region or municipality
The argument is used in favour of	Small administrative units
The argument is used in	Finland, Iceland, Norway, Sweden and Åland

Arguments related to local and regional identities are usually also interlinked with the issue of local support. In most countries/territories the issue of strong existing identities – and the lack of popular support for changes in municipal or regional divisions – is used as an argument for keeping structures as they are.

The argument is based on the precondition that the people sharing a certain territory have strong common interests and therefore together shall appoint politicians to lead the development. This is of course the very core idea of democracy at the national level, and is also frequently used at the local level where administrative borders were commonly defined by the borders of the citizen's daily life. Mobility has however increased and people's functional regions are becoming significantly larger than the older administrative division, while people's identities often remain tied to the old units. This then become a question of democracy; i.e. which geography should the political/administrative system have – the region to which identities are tied, or the functional region where the inhabitants have common interests? Identity is therefore an important factor where administrative reforms are discussed.

In the case of Iceland, Lähteenmäki-Smith (2007) argues that the lack of support for municipal mergers in the 2005 referenda was an expression of local identity. The daily life of people will probably be more directly impacted in the smaller communities when municipalities are amalgamated. Similar arguments against change are also frequently heard in the other areas where municipalities are extremely small, as in Åland and the Faroe Islands. Surprisingly, identity arguments are less likely to be expressed in Greenland.

Finland is a special case here, since the issue of identity also plays out in relation to the language spoken in certain parts of the country. Language is indeed a strong carrier of identities, and this does increase the complexity in cases where a Finnish-speaking and a Swedish-speaking municipality are located close to each other and are candidates for a merger.

In the Swedish debate on regions, identity arguments are used frequently. Some examples are Magnusson (2007) who declares that the issue of identity will certainly be decisive at the end, and Eriksson (2007) who refers to the missing popular support for any administrative reforms and to the fact that nobody actually asked the citizens about their views. An advertisement for the region of Halland (Region Halland *et al.* 2007) argues that a strong political will exists to keep Halland as one region and one county – the inhabitants agree strongly – and that any reform should not be carried through against the will of the inhabitants and their representatives. It is a question of identity and democracy.

## Larger and stronger municipalities have better control of their finances

The argument goes	Small municipalities are sometimes incapable of funding all necessary services. Larger municipalities will likely have a better economic situation and also a more professional economic management.
The argument is used in favour of	Larger municipalities
The argument is used in	Denmark, Finland, Iceland and Åland

Arguments concerning the capacity for the financing of municipal services were used in Denmark, e.g. when the *Strukturkommission* pointed to the problems that small units have in maintaining specialised services. This may be a threat to real democracy in cases where elected representatives in municipal councils are not able to fulfil their legal obligations – it is difficult to have self-government if the necessary competence is missing.

This factor has been heard in the debate in Finland where some of the small municipalities with decreasing population figures can no longer function as vital democracies where strategic choices are discussed – simply because they have problems in offering the minimum standards of service provision necessary (Haveri *et al.* 2003). A similar analysis is made in Iceland, where the democratic value of the smallest units is now questioned as in practice their ability to take important decisions is heavily circumscribed.

## Efficiency and co-ordination

A number of arguments relating to aspects of efficiency and co-ordination have been used, in all of the countries and territories addressed here.

The following table provides a brief overview of the main arguments related to efficiency and co-ordination and in which countries or territories they have been used. Thereafter each of the arguments will be presented in greater detail.

	Denmark	Finland	Iceland	Norway	Sweden	Åland	Greenland	Faeroe Islands
Welfare services are more efficient in larger units	↗	↗	↗	↗	↗	↗	↗	↗
Functional regions are larger than the present administrative units	↗	↗		↗	↗			
Bureaucracy and administrative costs	↗	↗↘		↗↘	↘	↗		
Better sector co-ordination at the national level is necessary		↗		↗	↗			
Sector co-ordination is more effective at the regional level		↗		↗	↗			
Asymmetric models are better		↗		↘	↘			
Globalisation and internationalisation make stronger co-ordination necessary		↗		↗↘	↗			

↗ argument used for reforms

↘ argument used against reforms

## Welfare services are more efficient in larger units

The argument goes	Strong regions are necessary to handle public tasks, in particular related to health care and ageing
The argument is used in favour of	Larger regions and larger municipalities
The argument is used in	Denmark, Faroe Islands, Finland, Greenland, Iceland, Norway, Sweden and Åland

The arguments put forward in all countries suggest that the public sector will increasingly have difficulty in managing its tasks. This concern is in particular related to health care and services for the elderly, since the population on average is becoming older and service demands will thus increase over time. Specialised hospital services have for many years been organised in large administrative units, named e.g. “health regions”. The need for specialisation is however increasing and is now also recognised in other public services. This is used as an argument for larger administrative units in general, and is frequently used as an argument in favour of larger regions as well as larger municipalities.

The need to improve quality and effectiveness in the health care sector was the main Danish reform driver accompanied by the argument that “bigger is better” (Lähteenmäki-Smith *et al.* 2007).

In Finland, Sévon (2006) argues that the municipalities are economically under pressure as the number of elderly people grows, and the current administrative structure makes rationalisation difficult. Thus larger units will be needed for increased efficiency. The Finnish law on municipal reforms states that at least 20,000 inhabitants are needed for efficient service production within primary healthcare and at least 50,000 within secondary education – which is considerably more than the population size of the average municipality today.

The Faroese government expresses the need for more efficient local administrations in their declaration (2008) while announcing a comprehensive structural reform.

In Greenland, *Strukturudvalget* (2005) argues for the new municipal structure by highlighting the possibilities for increased specialisation, the more efficient use of ICT, better competence and higher quality. All municipalities should have at least 8,000 inhabitants.

The Icelandic Association of Local Authorities wants to expand the responsibility of the municipalities, and argues in that context for larger units which can produce services more cost-efficiently. The Icelandic experience is that larger units are able to produce more and better services for their residents.

In Norway, *Oppgavefordelingsutvalget* (NOU 2000:22) argues that a number of public tasks are most efficiently dealt with at the regional level, and that larger regions are more effective, especially within health care, where new technology drives the development towards more specialisation and a need for a larger pool of patients. There is then a need for larger and more functional administrative units.

In Sweden, *Ansvarskommittén* (SOU 2007:10) suggests that the increasing number of elderly people and new policy areas will put the public sector under increasing strain and make it necessary to increase efficiency. This line of argument is also supported by others. Eklund (2007) argues that many of today’s counties are too small to cope with the increased future complexity of health care provision. Mats Svegfors, the chairman of *Ansvarskommittén*, also argues that the number of regions must be reduced if they are to be able to fulfil the tasks of health care provision. He puts it even more clearly saying that there is a choice between small regions and good health care, and that people – if asked – would chose better health care (Svegfors 2007a).

Arguments about quality in respect of services and the ability to fulfil legal commitments are also used to motivate structural reform in Åland, even if efficiency arguments are less common here than in the other countries and self-governing areas of *Norden*.

## Functional regions are larger than the current administrative units

The argument goes	Existing regional and municipal borders are a historic legacy which do not correspond to today's functional regions
The argument is used in favour of	Larger regions
The argument is used in	Denmark, Finland, Norway and Sweden

The current administrative structure at the local level has existed since the 1970s, while the regional divisions of the Nordic countries are older and in the case of Sweden is almost 400 years old. It is obvious that a municipal reform like that of the 1970s – based on the same criteria – would provide for a radically different structure as larger geographical units over time are functionally integrated in common labour and housing markets. The argument is that the current regional divisions are simply a historic legacy which does not correspond to today's functional regions, and this is most frequently heard in Norway and Sweden.

In Norway, *Oppgavefordelingsutvalget* argues that technological and transport developments make larger regions possible. These new functional regions constitute a new regional geography to which administrative decisions need to adapt to work efficiently (NOU 2000:22).

The Danish committee *Strukturkommissionen* (2004) also uses similar arguments to explain why the regional level of administration should be reorganised.

In Sweden, *Ansvarskommittén* (SOU 2007:10) argues for an adaptation of the regional division to the actual situation. It is difficult for the state to maintain a regional perspective, and the present counties do not correspond to the functional regions. Accordingly new regions which are more in line with the functional reality will increase efficiency. "An old structure is not strong just because it is old. It becomes strong only if it adapts to changing circumstances" (Svegfors 2007b).

The Finnish debate is different, since it is primarily about changes in the local level of administration. But there are also references here to the need for more comprehensive policies for functional urban regions. One such example is when the Framework Act asks the 18 most urbanised regions to develop common spatial planning capabilities. Another is in the motivation of the ALKU project for the reform of the State's regional administration.

## Bureaucracy and administrative costs – increase or decrease?

The argument goes	<ul style="list-style-type: none"> <li>• Three-tiered systems are more expensive</li> <li>• Larger administrative units are more bureaucratic</li> <li>• Larger administrative units are less bureaucratic</li> </ul>
The argument is used in favour of	Depending on the standpoint in favour of small or large units.
The argument is used in	Denmark, Finland, Norway, Sweden and Åland

Whether bureaucracy will increase or decrease after a reform is obviously an open question, since the administrative costs are used as arguments both in favour of and against reform.

One example is the debate between two Finnish politicians in *Gränsbrytning*. They agree that public sector efficiency will increase as a result of decreasing bureaucracy, but the question is whether more regional solutions will produce more, or less, bureaucracy. Blomqvist (2007) argues that if each municipality makes its own independent decisions a significant amount of bureaucracy is generated and it becomes ever more difficult to reach (regional) solutions. On the other hand Ravi (2007) fears that regions will entail an increase in administrative work, which will, by definition, see an increase in inefficiency.

In Norway and Sweden the question of increasing bureaucracy is used as an argument for maintaining small regions, as small units are considered to be more efficient, have better local

knowledge and are thought to generate less administration. Two examples here are Andreae (2006) and Björck (2007), who both argue that large regions do not offer better services, and that things do not become better just because they become larger.

A standpoint that is often found in the Conservative or other right-wing parties is that there should be as few tax-issuing administrative levels as possible, as several administrative levels are more expensive. The former Danish conservative PM Poul Schlüter motivated his party's standpoint against the county councils almost 20 years ago like this:

*If we want less bureaucracy and a more vital democracy, there is no other way than a radical change in the organisation of the public sector. We will take away the county councils and the present 275 municipalities and have 75-125 regional municipalities instead. We can make the public sector less complicated, better and cheaper (Schlüter, 1991).*

This is then used as an argument for two-tiered systems, e.g. based on the state and the municipalities only. The Danish administrative reform was a compromise - regions still exist in Denmark, but they no longer levy taxes.

NOU 2000:22 also deploys an argument for a two-tier system the notion that three levels creates more bureaucracy and therefore is less efficient: small countries do not need three administrative levels, and a two-tier system will be a simplification and will reduce public costs.

### Sector co-ordination at the national level is necessary

The argument goes	Better co-ordination at the national level is needed
The argument is used in favour of	Some use this as an argument for larger regions and some for abolishing the regional level
The argument is used in	Denmark, Finland, Norway and Sweden

New Public Management models of governance are becoming increasingly common across the western world, including the Nordic countries. The sector-by-sector management of the public services, with one-task-organisations, does obviously have its benefits. The weaknesses in this approach do however emerge over time, and one of them is the lack of co-ordination between sector policies and sector agencies (NOU 2004:2).

The issue of state co-ordination is used as an efficiency argument especially in Norway and Sweden. The argument basically follows two different lines. Firstly, it is argued that the national level does not manage its sector co-ordination particularly well and thus that regional reform is needed, since sectors may more easily co-operate at the regional level. Secondly, it is argued that state does not manage to co-ordinate its regions particularly well either as the dialogue does not function and therefore, again, reform is needed.

Antikainen (2006) argues that the existing Finnish structure, with small municipalities with a broad range of responsibilities in terms of service provision, was efficient as long as the task was to distribute public welfare, but that this structure should now change to accommodate better co-ordination between the various sectors of government.

Similar arguments are used both in NOU 2004:19 and in SOU 2007:10. The state is considered to be too fragmented, and this reduces the possibilities for co-ordination as well as for the regional adjustment of services. Svegfors (2006) goes as far as declaring that Sweden is not a state, but a conglomerate of sector states. Furthermore, he points out that the dialogue between the national and regional level does not function in Sweden. National authorities have different regional structures, and this makes co-ordination between them difficult. The number of counties should be reduced and regional division of the state adjusted accordingly.

The co-ordination argument may however also be used as an argument for a two-tier administrative system without any regional level, as a two-tiered system will allocate to the state full responsibility. Accordingly, the state may then co-ordinate everything in the name of efficiency.

### Sector co-ordination is more effective at the regional level

The arguments goes	The regional level is best suited for sector co-ordination
The arguments is used for	Stronger and larger regions
The arguments are used in	Finland, Norway and Sweden

Since sector co-ordination is so difficult at the national level there have been several attempts to strengthen co-ordination at the regional level. The idea is that sector administrations can better see across the borders between them when they have a common territory to work for. The Swedish and Norwegian County Administrative Boards do have co-ordination responsibilities for state agencies at regional level, but this task has proved difficult in both countries as the agencies they are tasked with co-ordinating are no longer organised at the county level.

The opportunities for increased sector co-ordination at the regional level are used in Norway and Sweden as an argument for stronger and larger regions. NOU 2000:22 and NOU 2004:19 argue that the regional level can best achieve a better interplay between all sectors involved in regional development issues. However, it also acknowledges that there is a multiplicity of bodies at the regional level and that a lack of clarity reduces the legitimacy of the system.

Both the Swedish and the Norwegian County Governors argue that one way forward is to strengthen the state administration at the regional level, as a way of co-ordinating all of the various state agencies and implementation of policies as they play out at the regional level. This argument is used *against* a regional reform where county councils are given a stronger position and in favour of a stronger state administration at the regional level.

In Finland, state agencies and ministries often have regional offices, and also here there have been complaints on the lack of co-ordination between them. A first step was to establish T&E-centres for the implementation of labour, agriculture and regional development policies. The Ministry of Finance (2008) suggested the extension of this model by including several new state agencies and policy areas into the common regional offices, as this is perceived as a way to improve the co-ordination between them at the regional level.

### Asymmetric models are better

The argument goes	Asymmetric models are more efficient
The argument is used in favour of	Different solutions for different parts of the country, i.e. no uniform national reform is necessary
The argument is used in	Finland, Sweden and Norway

A tradition of asymmetric models exists in most Nordic countries, where the degree of self-government is increased for large cities (e.g. Oslo) or islands (Bornholm, Gotland). A number of special solutions have also been utilised to gather experience, such as the granting of extended powers for the Swedish regions of Västra Götaland and Skåne, an elected regional assembly for Kainuu in Finland and the combined state/elected regional government in the Norwegian region of Møre og Romsdal.

Arguments in favour of asymmetric models are often that all regions should be given the opportunity to find their own solutions. The main disadvantage is however that such systems are becoming increasingly complex, difficult to understand, and difficult to manage.

One such example of these types of arguments comes from the County Mayors for the cities of Stockholm and Uppsala, who argue that there is no need to find a one-size-fits-all solution for a new administrative reform. They thus recommend an asymmetric model, which in their opinion can satisfy all parties. Different solutions across the country will stimulate institutional competition, which in turn will lead to better solutions (Heister & Weiman 2007).

This argument is used as a support for the standpoint that no regional reforms are necessary. It is both used by larger cities that are afraid of losing their privileges, like Oslo, and by other interests that are against any of the proposed regional reforms.

Finland already has a model where all municipalities have the same responsibility, but where the practical solutions differ quite substantially across the country. This will also be the case in the future, when different models will be applied to groups of municipalities.

Arguments in favour of asymmetric models are used both in favour of and against structural reforms. In the cases of Sweden and Norway, they are used against a regional reform even if no other changes are on the agenda. In Finland, the possibilities for asymmetric solutions provide a supporting argument for the selected conclusion.

### Globalisation makes stronger co-ordination necessary

The argument goes	There are increasing demands on public administration concerning international regulations and laws. Small administrative units cannot maintain the necessary competences.
The argument is used in favour of	Larger units and a stronger state
The argument is used in	Finland, Norway and Sweden

Most sectors have witnessed a development relating to increasing demand for specialised public services and for increased competence levels in relation to public officials. Examples here include specialised health care services, IT systems and on-line services. International regulations and obligations contribute to this through new rules for public procurement, food and environmental controls, etc. Public administrations must now function within an increasingly complicated framework, where service guarantees and citizen rights together with common international agreements, laws and regulations restrict their freedom. Municipalities are not free agents, and their actions are now becoming increasingly limited over time. This is one of the arguments used in the Norwegian and Swedish debates, e.g. by SOU 2007:10.

Small municipalities are not able to recruit the necessary specialists – which become a threat to service levels as well as to citizen rights. It is a question of competence, and small units simply cannot afford to recruit all of the competences they need. Haveri & Laamanen (2003) have in the form of a *Delphi* study tested the viewpoints of regional administrators in Finland, and they confirm this standpoint, i.e. the increasing need for specialised competence. The Norwegian Association of Local and Regional Authorities also found the issue of competence important when they argued for structural reforms (KS 2005).

The argument has recently been used to propose a strengthening of the Norwegian county governors at the expense of the county councils. The county governors argue for stronger regional co-ordination by the state, as international regulations call for more national policies and less regional differentiation across all levels of government (Johnsen 2008). International obligations must be followed, and only the state can guarantee that this is done properly.

# Economic growth and regional development

A third set of arguments concerns the link between the administrative structure and the economic development of the regions. Arguments relating to aspects of economic growth have been used in particular in the debates about regionalisation in Sweden and partly in Norway as well as in the discussion about a new structure of the regional state administration in Finland, but are rarer in Denmark and Iceland.

The following table provides a brief overview of the main arguments related to economic growth and in which countries or territories they have been used. Thereafter the individual arguments are presented in greater detail.

	Denmark	Finland	Iceland	Norway	Sweden	Åland	Green-land	Faeroe Islands
Larger administrative units have more resources		↗	↗		↗	↗		
Globalisation and regionalisation are connected				↘↗	↘↗			
Diversity in challenges, diversity in development policies				↗	↗			
Territorial planning for larger regions		↗		↗	↗			
Administrative reforms cannot create growth					↘			

↗ argument used for reforms

↘ argument used against reforms

## Larger administrative units have more resources

The argument goes	Larger municipalities and regions provide more power and strength
The argument is used in favour of	More powerful and larger administrative units
The argument is used in	Finland, Iceland, Sweden and Åland

Larger administrative units may pool resources from several smaller municipalities or regions, and will be able, in a more forceful manner, to carry through investments or other policies designed to stimulate economic development. This strength may be financial as well as political.

The financial argument is about the ability to implement larger projects with a more substantial impact.

The political argument is more about influence, as the voices of larger units are seen to be more important.

One such example of this category of argument is provided by Bäcklund (2007) who lobbies for larger and more powerful regions as they provide the regional level with the necessary size and resources for more efficient economic growth policies. Current development policies are too weak, as the regions are too small to act and to influence outcomes. Larger regions provide more power and strength.

The Icelandic argument is linked to the municipalities, where larger units will have more resources for investment e.g. in harbours and tourism, investments that are important for the development of local businesses.

The possibility to draw upon larger resources is also a strong argument in Finland, and is used in a recent report where a new structure for the state administration is proposed (Ministry of Finance 2008). Larger regions will make possible a more holistic planning approach and will also improve services for business development.

### Globalisation and regionalisation are connected

The argument goes	Regionalisation is one means of handling globalisation
The argument is used in favour of	More powerful and larger regions
The argument is used in	Norway and Sweden

Ongoing globalisation poses a challenge to the competitiveness of the Nordic welfare states. One set of responses are encapsulated in policies for regional innovation systems, clusters or co-operation between businesses, universities and the public sector (triple helix). A common feature of these policies is their focus on the regional level, as they underline the benefits of co-operation between organisations located in relatively close proximity to each other.

The argument here is that strong regions are best suited to developing responses to the challenges of globalisation and internationalisation, as businesses are regional as well as global and tacit knowledge and social structures are as important as ever where success or failure is explained.

Industrial development policies must mobilise indigenous resources and co-ordinate across sectors to facilitate economic growth. Regions can best prioritise and formulate strategies and are able to pool resources, which is necessary for the strengthening of economic growth in a globalised world (NOU 2004:19). An organisation is needed which can meet future opportunities and challenges. More powerful regions are the right bodies to master economic growth in a more international environment (Knape *et al.* 2007).

In Sweden, the government maintains a strong focus on jobs and labour markets. The new regions should be larger than the present counties to encompass functional labour market areas, as this would make it possible to focus on efforts for growth and job creation across the sector division of public policies.

The regions of Skåne and Västra Götaland argue that the forces of globalisation make a strong regional level necessary, as the state lacks the necessary knowledge in respect of local opportunities and finds it more important to implement the same measures everywhere than to encourage differentiated policies for the benefit of the country (Swanstein & Andersson 2008).

The Norwegian county governors do however use this argument the other way around, by underlining the role of central government and their regional offices: a strong state is necessary in order to establish policies which secure the counties competitiveness in a globalised world (Johnsen 2008).

### Diversity in challenges, diversity in development policies

The argument goes	Unique territorial development opportunities need local and regional action
The argument is used in favour of	More powerful and larger regions
The argument is used in	Norway and Sweden

All regions should contribute as much as possible to the economic growth, for the benefit of the country in total. And since industrial structures are different from one region to the next, as is also the institutional endowment, policy responses should be allowed to differ as

there is no one size fits all. According to this argument, territorial diversity demands tailor-made policy responses which can only be given by strong regions.

This argument is used both in Norway and Sweden. Currently the state is too fragmented and limits the potential for local solutions, and thus for economic development (NOU 2000:22).

Successful development strategies must build upon each region's own unique development opportunities and priorities. Problems and needs are different. Therefore, different parts of the country should develop differently and regionalised policy responses are needed (SOU 2007:10). The region of Västra Götaland in particular, where the Swedish automotive industry is located, often highlights the necessity for more tailor-made policies. They are competing globally, but their competitiveness is nevertheless firmly rooted in the region. National policies are less supportive than they could have been if the region were allowed to manage its own development policies and adjust them to the needs of the region – for the benefit of the industries, universities and the region as well as the nation.

A very similar argumentation can be heard from the Norwegian west coast, where the country's main export industries are located and natural resources are harvested to the benefit of the whole country (oil, fish).

### Territorial planning for larger regions

The argument goes	Infrastructure and planning tasks need a wider view
The argument is used in favour of	Larger regions
The argument is used in	Finland, Norway and Sweden

The daily life of companies and people crosses the old administrative borders, while territorial planning is performed locally in small municipalities or nationally by state agencies for the whole country. There should then also be a level of regional planning which better correspond to the actual planning tasks.

Arguments related to the planning of the development of a region, i.e. regional planning in various forms, are used for larger regions which better correspond to the actual planning tasks required. The planning of infrastructure, public transport, education, culture and other factors of attractiveness cannot be exclusively municipal (NOU 2000:22, SOU 2007:10). In addition, spokesmen from large industries support this view as they have a more comprehensive view of regional development issues (Høeg 2007).

This line of argumentation was e.g. also heard in Norway when the four counties on the west coast discussed amalgamation into a new region – but they did not carry enough weight to reach any agreement. A three-county co-operation project in the region of Buskerud-Telemark-Vestfold (BTV) was assessed as quite successful in this area – but was nevertheless terminated as a result of other and more important political issues.

A part of the Finnish reform process was to ask municipalities in 18 city regions to draft common plans for future regional planning for the whole region. The issue here was similar even if the solution was different to those discussed in Norway and Sweden. Recent proposals on new tasks for the Finnish regional councils also use this argument, by proposing a transfer of planning responsibilities from the state to the councils (Ministry of Industry 2008).

## Administrative reforms cannot create growth

The argument goes	Larger regions are management failures
The argument is used in favour of	Keep things as they are
The argument is used in	Sweden

In Sweden a number of actors argue that larger regions are clumsy constructions, which will hamper economic growth instead of stimulating it: new administrative delimitations will never create growth (Ylinenpää 2007); large regions do not grow faster than small ones (Björck 2007); it is a logical error that a region's strength depends on its size (Andreae 2006); the proposed new regions are a result of the need for control and the fruitless search for economies of scale in human commitments (Johannisson 2007).

## Process

Process arguments have also been used in the public debate, particularly in Sweden, as arguments against the proposed changes. Process arguments are rarer however in other countries.

The following table provides a brief overview of the main arguments related to the processes of proposed reforms and in which countries or territories they have been used. Thereafter the individual arguments will be presented in greater detail.

	Denmark	Finland	Iceland	Norway	Sweden	Åland	Green-land	Faeroe Islands
Changes must have popular support	↗	↘	↘		↘	↘		
Formal and correct procedures are not followed and tricks are used					↘			
Change represents a threat to vested interests	↘	↗↘			↘			

↗ argument used for reforms

↘ argument used against reforms

### Changes must have popular support

The argument goes	Administrative reforms should emerge bottom-up
The argument is used in favour of	Keep things as they are
The argument is used in	Iceland, Finland, Sweden and Åland

One line of argument here is that change should not be implemented top-down – as was the case when the municipal reforms were carried out in the 1970s. The new administrative structure in Denmark was partly decided top-down (the regional level) and partly left on the local level to decide (the municipalities) – but even there with a strong message from above in respect of expectations for change. The fact that the municipalities actually obeyed these representations and made the new structure then became an argument in itself for supporting the reform.

In Finland the government through parliament issued a law stating its ambitions for larger municipal units, while the process of mergers or co-operation was left to the municipalities themselves. A politician from the local level stated this very clearly, when she noted that although a more rational structure is needed, the municipalities are afraid of reductions in local service and do not want any changes to be made. Without support from the below reforms cannot be carried out even though there might be a strong rationale for it (Sonntag 2007).

The Swedish government is also following this path when they – in opposition to the advice received from the *Ansvarskommittén* – decided *not* to take any forceful initiatives but instead to leave the process to the local and regional political level. This must probably be understood as a political compromise where the government cannot say “no” to a political majority but at the same time hopes that it will be impossible for the local level to agree on a national reform. Schlingmann (2008) argues that the discussion about regions will take attention away from more important tasks and that it is significant that decisions are not made until the electorate has had the opportunity to decide.

In the case of Iceland, there is an obvious strain of popular resistance against all kinds of processes designed to force smaller municipalities into more co-operation or into amalgamation (Eythórsson 2006). Therefore, referendums must be arranged and a “yes”-vote achieved before any merger can be implemented.

Also in Åland will amalgamations be implemented if there is local support for such change.

Top-down processes are more difficult to implement in cases where the municipalities represent a value for identity and democracy, as compared to countries where the local government is viewed more as the government’s agency for the implementation of state policies.

#### Formal and correct procedures are not followed

The argument goes	Reforms need to be carried out in a formally correct manner
The argument is used in favour of	Keeping things as they are
The argument is used in	Sweden

As the reform comes closer, a whole new line of arguments are brought forward, concerning the reform process itself.

The question is whether the reform proposal is produced in a formally correct manner. Three of the Swedish county governors are using this argument to postpone further steps towards regional reform. Their view is that the timetable is too narrow, since the constitution must be changed to allow a new name on the regional level of government (from “county councils” to “regions”) (Engqvist 2007). Constitutional changes can only be made by a majority of two consecutive parliaments with elections in-between, and the process may therefore be postponed by making it an issue of such formalities.

#### Change represents a threat to vested interests

The argument goes	Everyone fights for their own interests
The argument is used in favour of	Keep things as they are
The argument is used in	Denmark, Finland and Sweden

The question of vested interested is a central part of the discussion in all countries, as the arguments used here can often be explained by the position of those who deliver them. Laamanen (2007) explains the Finnish debate along these lines. The argument is however used both for and against reform.

The Danish process is analysed as a power-game and a fight for future political positions by Christiansen and Klitgaard (2008).

An editorial in the Swedish newspaper *Dagens Nyheter* explains the lack of political willingness to carry out a regional reform with the politicians' fear of losing their positions. That is why changes in the political structures are almost impossible, they claim (DN 2007).

# 5. Understanding the arguments

## Our perspective

Administrative reform is usually the subject of research from a social scientific point of view. For instance, within political science one rightly focuses on the question of power and power shifts and balances. An apt example of this kind of research is Christiansen and Klitgaard's study of the Danish case in their *The Unthinkable Reform* (2008). Following their way of reasoning all arguments in the debate about administrative reform are actually put forward in order to affect the power relations in one way or the other. Thus the content of the argument is secondary to – or merely a means for – the effect and impact of the argument. No doubt, it might be true in many debates involving political bargaining.

Our report, however, consciously try to avoid the overly narrow perspectives of any single academic discipline. Instead we try to understand the arguments “at face value”, i.e. “as they are”. This, of course, is easier said than done. Because there are no such things as clean, or pure, or objective, or uncontaminated, arguments. There is always a perspective. The following is ours:

The arguments for or against administrative reform have been expressed in past time. We are thus unavoidably dealing with historical arguments. This is not to say that our study is a piece of history writing; all kinds of data dealt with in humanistic, social scientific and even in most natural scientific disciplines is ‘historic’ in nature even if events occurred just seconds previously. This leaves us at the border of a vast and very intricate field of scientific and philosophical debate into which for obvious reasons we in this study cannot enter. It is nevertheless necessary to make two clarifications regarding our perspective.

The literary theorist Hayden White (1973) argues that researchers occupied with historical data have to deal with this data in some form of story, a story which is not only structured according to some kind of temporal logic but which also falls into the framework of a particular *kind* of story. White calls this kind of framework an “emplotment”:

*If in the course of narrating his story, the historian provides it with the plot structure of a Tragedy, he has “explained” it in one way; if he structured it as a Comedy, he has “explained” it in another way. Emplotment is the way by which a sequent of events fashioned into a story is gradually revealed to be a story of a particular kind (White 1973:7).*

“Emplotment” is thus the framework the researcher consciously or unconsciously gives his story in order to explain something. In this respect it does not really matter if the researcher calls his inquiry a discourse analysis, a comparative inquiry, or whatever, it is *nevertheless* a story. So, what kind of story is ours? Well, we think it is a story about a particular situation that has simultaneously occurred in all of the Nordic countries and in which the concepts of ‘nation’ and ‘welfare state’ are at stake; the two concepts are squeezed between top-down and bottom-up arguments about larger regions and municipalities. This, we think it is neither a Tragedy nor a Comedy. Neither is it a Political Thriller, which, by the way, was obviously the emplotment of Christiansen and Klitgaard’s study of the Danish Case.

No, in order to investigate and understand the current arguments for and against administrative reform on a Nordic basis we think our emplotment has rather to be seen as a

Drama that reflects “the battle-experiences of the efforts to keep the positions between the waves of the past clashing against the waves of the future” (Arendt 2004). That is, we perceive the arguments about administrative reform conveyed in a situation between a past that is no longer a sufficiently stable platform for necessary decisions about a future that has gradually revealed itself to be far more unforeseeable and uncontrollable than it used to be.

Our second clarification is this: The arguments we have studied are permeated with rhetoric. We are not, however, interested in the kind of rhetoric that has recently become popular among management consultants and marketing people. No, we pay attention here to the kind of rhetoric that has developed as a branch of language philosophy with strong linkages to knowledge theory. This kind of rhetoric offers a perspective on the arguments about administrative reform which deserves our full attention (e.g. Perelman & Olbrechts-Tyteca 1969; Rosengren 2002).

Our perspective is thus influenced by Aristotle’s (1991) partition of rhetoric into three kinds of discourses, *the judicial* directed towards the past, *the deliberative* towards the future, and *the demonstrative* towards the present. This three-dimensional temporal aspect is basically the same as the one we have touched upon above. Moreover, Ramírez (2004) has recently suggested that this temporal perspective is always present in all kinds of human actions, i.e. in the kinds of situations that rhetoric reflects. And, of course, it is always present in the kinds of situations that the debate about administrative reform reflects.

The first rhetorical discourse is thus about how one should understand what once happened, and above all what political, financial, judicial or administrative consequences this ought to have. That is, this first discourse immediately leads to the second, which concerns deliberations about actions for the future. The Latin term for this is *genus deliberativum*, i.e. the same term that is now used by political scientists who talk of “deliberative democracy” (Elster 1998). As such, this second discourse is about deliberations over *possible* future actions. The over-arching question in deliberative rhetoric is what *ought* to be good for the society.

The third and demonstrative kind of rhetorical discourse however does not make any statements about the present (situation). Aristotle’s third discourse is the instrument that binds together the first and rearward-looking discourse with the second and forward-looking discourse. That is, the third discourse is the instrument that in a trustworthy way binds together, or bridges, arguments about past time and future time.

In sum: Our perspective is to analyze arguments for administrative reform at face value as they were intended at the time they were delivered, in all their socio-political, temporal and rhetorical complexity. It is thus not an exaggeration to state that the overwhelmingly majority of arguments that we have come across are decidedly directed towards the future. The gist of all these arguments is thus that the reforms will either lead (in the future) to a better or a worse situation than the past and present states. A closer inquiry reveals that the arguments often mirror a very strange interplay between past time, present time and future time. To fully understand the content of the arguments we thus firstly look at the differences between the countries, thereafter at the popularity of certain arguments, and finally at their quality.

## State of differences

“Information consists of differences that make a difference at some later event” (Bateson 1987:381). The information provided on the administrative reforms, is thus only understandable in the context of structural differences between the Nordic countries. The settings into which the debates of administrative reform have been launched are shaped by the understanding of what a nation is and how it is been governed. Despite the Nordic countries often appearing rather homogenous in international comparisons, there are some fundamental differences in the understandings shaping the ideas about the organisation and tasks of the administration.

The arguments for and against the topical administrative reforms have to be understood against a particular historical backdrop. For historical reasons the state has assumed a far

stronger position in Denmark and Sweden than in Finland, Iceland and Norway, where, on the other hand, national identity and nationalistic values are stronger. Furthermore, there are two different traditions of central administrative systems among the Nordic countries. On the one hand there is a west-oriented and ministerial tradition that is to be found in Denmark, Norway and Iceland. On the other hand there is an east-oriented and technocratic tradition that is prevalent in Sweden and Finland. The former are oriented towards input-democracy, i.e. where parliamentary responsibility is at the centre of attention and where political decisions are carried through by a loyal administration. The latter are characterized by rather independent agencies and their judgements. They represent an output-democratic tradition where results and efficiency are to the fore.

To these very fundamental and different traits one has to add the impact of modern historical trajectories such as very different types of industrial development, experiences of war, relations with the EU, foreign policies in general and regional policies in particular, and so on. Given these differences the straight structure of the matrix is often blurred when it comes to particular issues and it is not hard even to find "anomalies". Thus, even if the topical arguments about administrative reform in the Nordic countries on the whole look alike they are, as soon as we take a closer look, truly different both in scope and character.

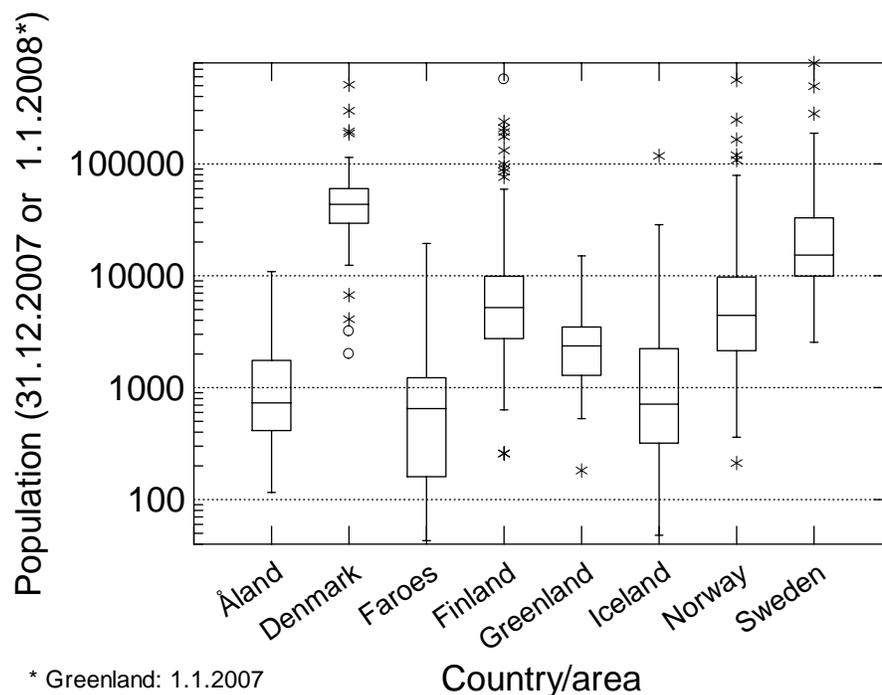
### Differences in the administrative settings

Administrative traditions have also affected the development of municipalities and regions and the tasks and responsibilities allotted to them. Today, the size in terms of the inhabitants of municipalities and regions show remarkable differences. To understand the arguments for and against administrative reform, it is important to remember the basic differences in respect of the size and roles of municipalities and regions

The view of the municipal sector is different between the countries. The municipalities are, on the one hand, primarily service providers in Sweden and Denmark and may be seen as franchise operators of *The Government Ltd.* Also in Greenland the local government is discussed mainly as a service providers. In Iceland, the Faroe Islands, Finland, Norway and Åland on the other, municipalities are attached with stronger values of identity and self-governance.

Furthermore, municipalities differ regarding their number of inhabitants, an issue often touched upon in the reform debates. The graph below provides a quick overview of the differences between the Nordic countries and territories in terms of the size of municipalities. It shows both the variety of municipal sizes within the territories where Sweden, Norway and Finland show the largest internal differences (please note the logarithmic scaling of the graph). It also shows differences between the countries where the generally large municipalities in Denmark, after the 2007 reforms, stand out.

## Municipal population (logarithmic scale)



Data source: *Statistics Finland, Statistics Denmark, Statistics Faroe Islands, Statistics Greenland, Statistics Iceland, Statistics Norway, Statistics Sweden*

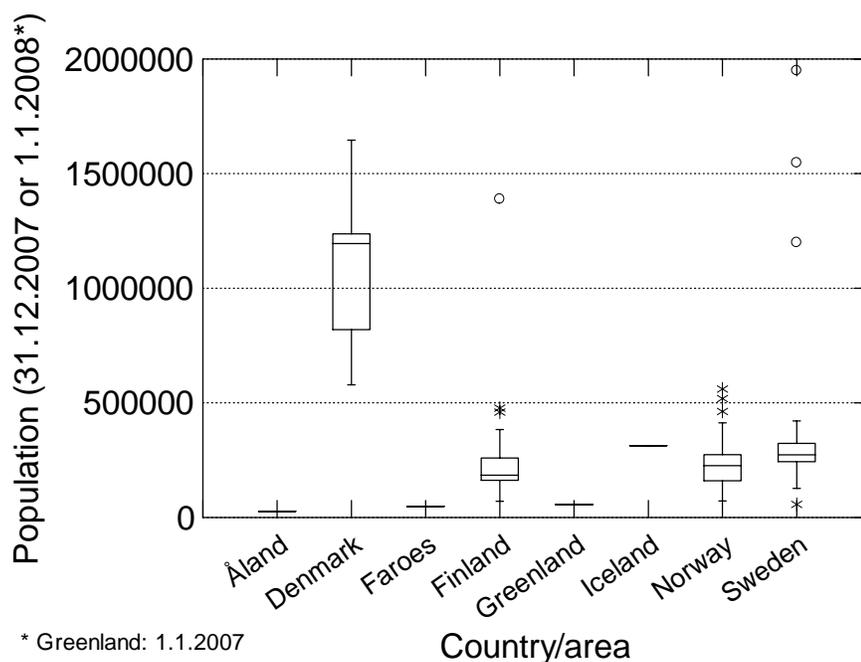
### How to interpret box plots

The centre vertical line (inside the box) marks the median of the sample. The length of each box shows the range where the central 50% of the regions/municipalities fall, with the box edges at the first and third quartiles, the entire box therefore contains all observations within the 25th and 75th percentiles. The absolute value of the 75th minus the 25th percentile is called *Hspread*, and the “whiskers” (the vertical lines) mark the distance from the box edges to  $Hspread \times 1.5$  below the first and above the third quartile. Single outlying regions/municipalities marked with asterisks lay within  $\pm Hspread \times 3$  in the extreme quartiles and extremely outlying regions/municipalities located outside this range are plotted with empty circles.

Four of the countries have regions as a tier of government. Their tasks are different, with a focus on healthcare in Denmark, Sweden and Finland, while Norwegian regions have secondary education as their main field of responsibility.

The graph below clearly shows the difference in the size of regions both within the four countries and between them. In the cases of Sweden and Finland the differences in the size of the main “urban agglomerations” compared to the other regions is remarkable. Denmark, after the 2007 reform, sticks out as generally having the largest regions as well as having a comparably broad variation within the country.

## Regional population



Data source: *Statistics Finland, Statistics Denmark, Statistics Faroe Islands, Statistics Greenland, Statistics Iceland, Statistics Norway, Statistics Sweden*. (Data for the whole country/territory for the Faroe Islands, Greenland, Iceland and Åland.)

## State of affairs

The historical context of the administrative systems as well as the size and role of municipalities and regions differs greatly, and so do the reform processes in the various states. The countries and self-governing areas are all in different phases, where Denmark has implemented a structural reform, Finland has started and Greenland is underway. Status at the end of June 2008 is that the process has more or less been halted in Norway (where only small adjustments will be made) and in Sweden (where the outcome is uncertain). A new reform initiative has recently been taken by the government in the Faroe Islands. Iceland and Åland will probably see incremental changes but do not have any on-going initiatives for structural changes at the moment:

- Denmark: The reform process has been concluded and larger municipalities and regions are now an administrative fact. The division of labour between state, regions and municipalities has been changed; as tasks have been transferred from the regional level to the state and the municipalities.
- Finland: The reform process is continuing. Municipal amalgamations have begun and more will follow on a “voluntary” basis. At the same time, it has also been proposed to merge the state administration at the regional level into larger units.
- Greenland: A reform is currently being implemented where the number of municipalities will be reduced to 1/4 of the current number and their responsibilities extended.

- Norway: The municipal level is not now being discussed, only the regional. After 10 years of debate, it seems that the structural reform process has stalled. The regions will gain some additional responsibilities from 2010 but their number remains the same.
- Sweden: The current discussion is concentrated on the regional level. A major reform is proposed and local and regional authorities are in principle supportive, even if the sum of local interests are far away from a broad national solution, while the Government hesitates. It remains uncertain whether the reform discussions will result in any real changes.
- Faroe Islands: The new government that came to office in June 2008 has announced a reform from 2010. The further process is however uncertain, as is the outcome of it.
- Iceland: Rather little is happening at the moment, but changes in municipal responsibilities will probably come in the years to come – changes that may induce structural reforms and municipal amalgamations as a consequence.
- Åland: A reform has been discussed, partly influenced by Finnish developments. The trend is however that responsibilities are being shifted from the very small municipalities to the regional level of Åland.

## The main arguments and their popularity

The review of arguments used for and against administrative reform, shows that a limited number of arguments are used and that the focus of the arguments differs between the countries concerned.

### Democracy

The democracy argument has a huge palette of nuances and it has been possible to distinguish between seven sub-arguments. The overall picture is that often “closer” is considered to be “better”, as expressed in the Norwegian white paper on structural reform. The strong bottom-up focus on municipal amalgamations in Finland, Iceland and Norway is a clear expression of this. There are however also contra arguments pointing to the desirability of larger and stronger municipalities as a means of allowing for the devolution of regional and state responsibility, and hence for a stronger local and regional democracy.

Differences also exist between the various countries in the use of democracy arguments. In Denmark and Finland the potential to strengthen local democracy is used as an argument in favour of structural reform, as larger local authorities are seen as a precondition for a strong local democracy.

In Norway and Sweden on the other hand, the majority of democracy arguments put forward are those against reform and are built to a large extent upon the precondition that small units are more democratic.

The situation in Iceland is more ambiguous, as a clear difference exists between the “professionals” who share the Finnish view and the inhabitants of small municipalities who share the Norwegian view. In the Faroe Islands a strong emphasis remains on the very local level and democracy arguments are mainly used against reform.

## Efficiency

The efficiency argument has the most facets of all arguments investigated in this study. In general the argument focuses on the potential for economies of scale in service production, i.e. the need for a critical mass to be able to provide high-quality and cost-efficient services. The various arguments in this field can be grouped into eight sub-categories focusing i.e. on the healthcare sector, or more generally on the idea of functional regions, as well as on the question as to whether the regional or the state level is best suited for sector co-ordination and what the demands of globalisation mean for public administration.

Looking at the variety of efficiency arguments used in each country, we see that a range of different efficiency-related arguments are used in support of structural reforms in all countries and self-governing territories. Especially Denmark and Greenland retain a clear focus on efficiency in their reform work. Many of the facets of these efficiency-related arguments can be found in Finland and Norway in particular.

There are however some efficiency-related arguments against reform, often focussing on the administrative costs of larger units.

## Economic growth

Arguments linked to regional development relate economic growth issues to the size of a municipality or a region. Typically they would argue that large administrative units have more resources to work with regional development, to meet the challenges of globalisation, and to implement a diversified development policy and more integrated territorial planning. The *contra* side argues that administrative reforms cannot actually create economic growth. In total five sub-arguments have been identified.

Particularly in Sweden, economic growth seems to be an important strand of argumentation for change, but this is also the case in Finland and Norway and to some extent also in Iceland. In Denmark this kind of argument seemed to appear less relevant – not to say totally absent.

## Procedures

Procedural arguments are less frequently found, as they do not normally relate directly to the issue discussed.

These arguments most often highlight deficits in the reform processes and the need for more time, broader process participation, new legislation, etc. They therefore basically work against reforms. They are most frequently found in Sweden, which is the country where the process has been broadest and the most inclusive of all the Nordic countries and territories.

The municipalities have a stronger legal position in Iceland and Finland, which naturally brings procedural arguments onto the agenda.

There are also process-related arguments in favour of reform, as in cases where one can argue that a process of change needs to be fast and needs to take people by surprise.

## Quality of arguments

The arguments used here are of a rather different quality as they are used in a rather different context and with shifting intentions. Thus, some type of rather more theory-based approach is needed to understand them.

It is of course virtually impossible to fully understand the arguments brought forward and embrace the richness of their meanings and the complexity of their contexts. Nevertheless, to at least provide a flavour of the arguments' character, we will take a closer look at them in terms of quality as regards forecasts about the future, and illustrate some examples in respect of underlying values and related conflicts.

## A world of prophecies

Most arguments have a strong bearing on horizons of expectations, and are decidedly directed towards the future. The gist of all of these arguments is thus that the reforms will either lead (in the future) to a better or a worse situation than the past and present states. The question is thus whether arguments which refer to the future are to be understood as predictions, prognoses or prophecies.

Before entering into the discussion, it is necessary to clarify the terminology:

- **Predictions**

A prediction is deduced out of a first principle ("all men are mortal") and a specific premise ("Socrates is a man"). The inference ("Socrates is mortal") is not only unavoidable and logically true, but nothing more, nothing less and nothing else can be inferred from the two premises. That is, this is about deductive logics. It is not a very brave statement to say that it would be a sensation if in this study we could show a single case where the arguments about administrative reform rest on sound deductive logic. When analysing arguments about administrative reform we must thus look out for futuristic arguments that *claim* to be grounded on axioms, first principles, and solid theory, i.e. that claim to be scientifically proven to be true beyond any doubt. Furthermore, when one takes a closer look at so called foresight-studies, roadmaps, scenario-techniques, *Delphi*-studies, and so forth, there is often, albeit implicitly, a claimed first principle to be found somewhere in the argumentation. The problem is, of course, that there are no unshakable, absolutely true, first principles applicable to social life and society. That is, predictions are, or rather should be, out of the question in this context.

- **Prognoses**

Prognoses are the result of inductive inferences. That is, if one gathers statistics, cases, examples and experiences, and if one does this in a methodologically careful way it is logically and scientifically unassailable to argue that all of them point in one direction. It is for instance possible to infer that swans are white because all the swans I have ever seen thus far have been white. That is, the prognosis is more or less watertight that the next swan I will encounter will also be white. (Black swans of course crush the axiom of all swans being white, but that is another story.) The keyword here is methodology, i.e. the value of a prognosis stands in direct proportion to how scientifically rigorously the gathering and handling of the empirical data has been. The broad investigations we have seen about administrative structures do collect all available evidence and discuss alternative interpretations before coming to their conclusions and recommendations for the future. The investigators scrutinise the evidence and make a "best judgement" on available information and often have the ambition to make prognoses of what *will* happen if one or another alternative route to the future is chosen. One should not however expect of most arguments about consequences of administrative reform that they are scientifically unassailable as inductive inferences.

- **Prophecies**

This leaves us with prophecies, which in the best cases rest on abductive logic. Abductive logic functions like this: We want to forecast the consequences of a complex situation (like the "regional administrative mess" and its weak potential for solving present and future challenges). With solution *A* the complexity dissolves and the situation becomes transparent and understandable. Inference: *A* is probably true. But just probably because logically the situation can also become transparent by *B*, and *C*, and so forth. That is, abductive inferences (still in best cases) rest on intelligent, informative, and thoughtful guesswork. In worst cases abductive inferences are dead wrong because the guesswork is not intelligent enough or if it is intelligent enough perhaps the necessary information is not sufficient.

Reconsidering the arguments presented in conjunction with the evolution of the structural reform processes, presents a rather schizophrenic picture, where on the one hand we find evidence-based input in the debates which *ought* to qualify as partly prediction and partly prognoses, while on the other hand we find the actual arguments, which are merely prophesies.

Particularly in the cases of Norway and Sweden, substantial efforts have been undertaken to prepare the ground and place on the table evidence about the need for and consequences of administrative reform as well as weighing different alternatives. Thus there is a substantial body of information that is used to produce prognoses.

A substantial body of evidence that the arguments used in the debate rarely qualify as prognoses also however exists. One concrete example of this is the argument that small units are better for a well-functioning democracy – an argument that is frequently used e.g. in Iceland, Norway, Sweden and Åland. In Denmark however, where existing evidence suggests that large municipalities are at least as democratic as small ones (study by Kjær and Mouritzen, 2003), this issue about the relation between size and democracy was not present in the debate. The Danish report did, moreover, have a considerable impact on the lack of debate about democracy when the number of local councillors was reduced from 4,597 to 2,520 for the new 98 municipalities.

This might serve as only one example where the popular arguments used stand in direct opposition to the evidence presented. Thus the arguments fall into the category of prophesies. The quality of the democracy argument is further developed in the textbox below.

As in the case above, most of the arguments we have come across are based on prophesies. They base their forecast about what will or will not happen in the case of a reform on abductive logic. We dare say, when politicians argue about the future they mostly deliver prophesies, in the best cases grounded on abductive inferences, i.e. on intelligent, informative and thoughtful guesswork. It has to be emphasised, though, that forecasts that rest on purely populist sentiments, or even soothsaying remain numerous.

### Wider reflection on the democracy arguments

The concept of democracy covers values like freedom and equality and a specific form of governance (to be separated from monarchy, aristocracy, meritocracy, etc.). However, freedom and equality are two of the most discussed value concepts in our culture. That is, democracy as a concept as such is immersed in conflicts. Moreover, democracy meaning self-government by the people is also complicated in that both the concept of people and the concept of self-government have been interpreted in many different ways. For instance, what the concept of people should include has over time been a debated issue. Although there are still some limitations for special groups of citizens it is nowadays more or less clear that all grown-ups have the right to vote in general elections. The problematic issue now is rather the reverse, i.e. to convince people that it is important to take part in the entire democratic process, not just on the Election Day. Much of the argumentation for or against administrative reform is about how to avoid such pitfalls that would be a threat to democracy.

Furthermore, arguments exist for and against in-put and out-put democracy respectively. Other denominations include democracy *ex-ante* respectively democracy *ex-post*. That is, in the former kind of democracy one puts the emphasis on the democratic process before it is time to vote; the idea being that all the arguments have to be scrutinized so that truly well informed citizens can make the wisest decisions. Out-put, or *ex-post* democracy, on the other hand emphasises results and efficiency by the elected government, i.e. the idea is that people exert their democratic rights on Election Day when they can approve or disapprove of what has been achieved. The Swedish debate about administrative reform has to some degree focused on this issue; national politicians and top civil servants have advocated *ex-post* democracy while for instance The Swedish Association of Local Authorities and Regions (SKL) has eagerly argued for the *ex-ante* way of executing democracy (Uhlin 2007). Furthermore there is some logical relationship between the idea if out-put democracy and so called top-down policies; there is as well a link between the notion about in-put democracy and so-called bottom-up processes. The two expressions "top-down policies" and "bottom-up processes" are abundant in the debate about administrative reform. However, what they really mean is more often than not obscure as we will see in the following examples.

What is more, and what we have already seen in the discussion above about identity, there is in the debate a taken for granted connection between proximity and democracy, the closer (geographically) people are to their politicians the better for democracy; and the other way around, i.e. were larger regions decided upon democracy would suffer because of a greater distance between people and their elected representatives. So, let us take a closer look at one set of arguments which are above called "Small units are better for a well-functioning democracy" (see chapter 4).

The core argument goes like this: The size of a region in respect of population and area has an impact on the relationship between the citizens and their politicians. The argument is used in favour of maintaining small administrative units. It is used in Iceland, Norway, Sweden and Åland. As we have already stated the argument is based on the precondition (axiom) that closeness between the electorate and their representatives are a necessary element in a well-functioning democracy. If municipalities or regions become larger the distance will increase and the democracy becomes less vital.

Fist, it is difficult to avoid a historical image; Athens about 2 400 years ago, the very place where democracy was born and where all free adult male citizens exerted the first known example of democratic self-governance, i.e. when all of them on short notice could assemble in the *Agora*, more or less on a daily basis. But this image wrongly presupposes a geographical proximity, i.e. that it was easy to meet for the democratic process. It was not. Athens had a bigger area than any other Greek city-state. Attica covers 3 375 km<sup>2</sup>, ca 110 km from north to south and 30 km from east to west, which makes the peninsula slightly bigger than the island of Gotland.

What is more, it is evident that arguments that advocate closeness and proximity as important for the democratic process are not just about a geographical quality, but also a psychological and mental. Fear of becoming "anonymous" in a larger unit, of "being swallowed" by some big neighbours, and to be hit by political "apathy" in a big region (or an enlarged municipality) seems to thrive on what the Canadian philosopher Charles Taylor (2004) calls "social imaginaries".

Taylor has been inspired by Benedict Anderson's concept 'imagined communities' but he wants to say something more. The English noun 'imaginary' has synonyms like fantasy, make-believe, unreal, and so forth. But it has another meaning as well, a meaning that has captured Taylor's interest, a meaning for which there are no other English words but which in Danish and Norwegian there is the word 'forestilling', in Swedish 'föreställning' and in German 'Vorstellung'. This 'forestilling' is one of the most discussed concepts in philosophy; it does not denote something unreal or a fantasy, on the contrary, 'forestilling' are often very real, but it is not possible to capture it in a doctrine or a scientific theory. This is what interests Taylor as a philosopher.

Social imaginaries have to do with what is self-evident to most people. This is why Taylor does not talk about social theory. Ordinary people do not express themselves in theoretical and scientific terms but in images, (hi)stories, and legends. Theories belong to small minorities whilst what is interesting in the social imaginaries captures the awareness of most people. Social imaginaries, set apart from social theory, constitute the common understanding which makes possible a common *praxis* and a widespread feeling of legitimacy.

Social imaginaries are at every point in time extremely complex. They contain senses of what we normally expect of each other and they form a kind of mutual understanding that makes it possible for us to cope with the collective *praxis* that is our social life. They also include how all of us belong when we deal with this *praxis*. They are both factual and normative, i.e. we have senses for how things function in society, but social imaginaries are also coupled to an idea for how things *ought* to be and what could bring *praxis* to fall apart.

Now, is it a social imaginary that the size of a region in respect of population and area has an impact on the relation between the citizens and their politicians? Please observe that we do not ask whether it is a true or false statement that the size of a region, *etcetera*. No, we ask if this is a normative social imaginary, which tells us how things *ought* to be, i.e. that regions/municipalities *ought* to be small in order to give good democratic preconditions when it comes to the relations between citizens and their representatives. Yes, we think this might be a social imaginary and if this is the case it is neither true nor false but factual. That is, this social imaginary has to be observed when top-down decisions are planned.

vidence however exists which indicates that small units are not a necessary precondition for a well-functioning democratic system. Kjør & Mouritzen (2003), for instance, conclude on the basis of the Danish evidence that large municipalities are at least as democratic as small ones when measured on core democratic variables like political participation and self confidence. There is therefore no trade-off between the size of the units and the level of democracy. Moreover, their book did have an impact when the number of members of local councils in Denmark was reduced from 4 597 to 3 520 for the 98 new municipalities, since a larger number of counsellors are not necessarily more democratic than a smaller number. This was an important argument in Denmark, especially since Mouritzen was a member of the *Strukturkommissionen*.

## Time as leeway between prophecy and prognosis

Having said that most arguments used are prophecies, one has to acknowledge that it is not always easy to say whether one is facing a prognosis or a prophecy. This can be illustrated by the following example:

The background is the empirical fact that participation in regional elections is generally smaller than in the national and local elections. The premise here is that 'people are not interested in policies at the regional level'. It is then either argued that it is necessary to politically strengthen the regional level in order to make it more interesting, or it is argued that the regional level can be abolished completely because people are not interested anyway. The argument is thus used both for and against administrative reform.

In Norway *Oppgavefordelingsutvalget* (NOU 2000:22) thus argued that the participation in regional elections can be improved if the regional level becomes more important to the people. Now, logically this is a pure prophecy. Nilsson (2007), on the other hand, makes a prognosis when he builds on available data to describe how the public interest in policies at the regional level has increased after the reform in the Swedish region of Västra Götaland and he then concludes that the establishment of stronger regions may increase people's interest in and thus strengthen democracy. Rattsø and Sørensen (2007) also seem to make a prognosis when they argue that 30 years of regions have not worked and that larger regions which are even further away from people will not change anything. The crucial thing here is, on the one hand, how much empirical substance there is in the statement that '30 years with regions have not worked' and, on the other, how one should understand the rhetorically flavoured statement that 'larger regions are even further away from the citizens'. That is, this could in the worst case just be a piece of sloppy prophecy (and bad rhetoric), or in best case a prognosis founded on 30 years of facts about regions (and serious rhetoric based on experience and wisdom about democratic systems).

Concluding, these arguments are mainly prophecies about the future, although a warning is necessary here as it is not always possible to distinguish prophecies from prognoses as its evidence base is not necessary evident. Furthermore, we can note that although at least some countries made a substantial effort to establish sound evidence on which to base the debate, this does not necessarily improve the quality of the political debate and indeed even this evidence basis contains conclusions which in turn can be considered as prophecies.

However, it is more than this to predictions, prognoses, and prophecies. As became clear above, the concept of time and the interrelation between past experience and future expectations play into the arguments.

Diachronic time is when past time, present time and future time follow each other linearly. However, there is also synchronic time (Koselleck 2002, 2004) where the past, present and future are stacked as time-layers over and under each other in a non-linear way; these time-layers constitute what Koselleck has called "simultaneous non-simultaneousness". That is, and for instance, I live in the presence with all my different but nevertheless *simultaneous* memories of the past as researcher, parent, neighbour, and so forth, and I do this *simultaneously* with my expectations, dreams, plans and so on as researcher, etc.

This brings us to the relationship between two of Koselleck's most interesting methodological concepts, namely space of experience (*Erfahrungsraum*) and horizon of expectation (*Erwartungshorizont*). Experience and expectation are not alternative concepts according to Koselleck, on the contrary, they are intertwined and presume each other, no experience without expectation, and no expectation without experience. He thus defines experience as "present past, whose events have been incorporated and can be remembered". When it comes to expectations Koselleck argues that it is more precise to use the metaphor horizon than a spatial dimension because the horizon is the line behind which a new space of experience will open, but which cannot yet be seen.

The interplay between experience and expectations is most likely the background for most of the arguments we have come across. Indeed, they are shaped by expectations about future consequences and mainly fed by experience. The example above shows that we cannot always

qualify this experience and whether it might stand for turning a prophecy into a prognosis. Thus, because of the time dimension and the interwoven nature of space of experience and horizon of expectation, some leeway exists between prophesies and prognosis.

## Experiences and expectations

In spite of all our attempts to manage the future there is an absolute limit beyond which we cannot know, because it cannot be experienced:

*[E]xperience and expectation are two categories appropriate for the treatment of historical time because of the way they embody past and future. The categories are also suitable for detecting historical time in the domain of empirical research since, when substantially augmented, they provide guidance to concrete agencies in the course of social and political movement (Koselleck, 2004:258).*

Historical times now and then imply that the space of experience has cracked apart, i.e. old experiences have lost their value and new a horizon has more or less to be opened, in one way or the other.

So, how is it today within the field of administrative reform? Does the space of experience still hold water and is there a horizon of expectation as usual? Is it, in principle, business as usual and thus there is no need for administrative reform other than some patching up? Or is it necessary to develop, even *invent*, a new horizon of expectation that includes far-reaching administrative reform because the space of experience – the experiences of the strong nation-state, of the welfare state, of democratic order – is cracking apart?

The background reports often highlight the societal changes that will make the present administrative structure gradually less suitable in the future. Two important keywords here are population ageing and the relative reduction in the share of employed persons, factors that in combination present a serious threat to the Nordic welfare state model. It is of course no coincidence that the developments of the health care systems are in the forefront of the discussions about administrative reform in all countries.

However, when we summarize the arguments we have examined, it is more difficult to find examples which advocate a new horizon of expectation for the reason that the space of experiences seems to fall apart.

On the contrary, the arguments we have analysed seem to be more of a collective example of what Donald Schön (1971) once called 'dynamic conservatism'. Dynamic because it is true that changes are suggested and deliberated in all of the Nordic countries, but conservatism because all of these changes everywhere seem to be debated within a common socio-political framework that is nowhere called into question. The big picture therefore seems to be: Some changes, yes, perhaps, but within the existing order.

## Values and conflicts

All current arguments about administrative reform in the Nordic countries are laden with values and conflicts, either explicitly or implicitly.

Conflicts (lat. *conflictio* or *conflictus* = collision) occur on the scene of world politics, but they also occur in our everyday lives, even within single individuals, and they certainly take place among and between arguments about administrative reform, sometimes even within one and the same argument. Broadly we may distinguish five ideal types of conflicts:

- Conflicts about factual matters, e.g. when we argue with our colleagues which are the most price worthy computers to buy for the office;
- Conflicts about roles, e.g. when the job-descriptions of two people overlaps and this leads to various kinds of problems;
- Conflicts that emanate out of misunderstandings ("pseudo conflicts"), e.g. when an escalating row in fact has its origin in a misunderstanding;

- Conflicts about values, e.g. between the value of economic growth and the value of environment protection;
- Conflicts about interests, e.g. when two people are applying for the same job.

These are ideal types, whereas in real life conflicts are complex and they usually "consist" of two or more of these types.

Identifying the underlying values and their potential conflicts for all arguments would heavily exceed the scope of this study. Therefore, we only illustrate the field with two examples.

'Uniqueness' is presented from both Norway and Sweden as a value as such in arguments for more powerful and larger regions. The gist of the argument is that unique territorial development opportunities are best taken care of on the local and regional level. However, it is easy to see that here lurks an interest conflict between, on the one hand, national and on the other regional/local interests. What is perhaps not so easy to see however is that behind this interest conflict is a built-in value conflict into the concept of what is 'unique'. Unique geographical and natural resources might be relatively straightforward in the sense that they are more or less impossible to copy, but immaterial uniqueness is not. That is, when what is a unique immaterial asset has become more or less ubiquitous it has lost its value. What is more, national growth policies more often than not are directed towards best practice and benchmark studies, i.e. to make public what is unique - and thus make it ubiquitous. In sum: unique immaterial values sometimes have an economic value and as such it might as well have a political value which in turn creates an interest conflict between different political levels.

Our more complex example is about 'identity' which is a frequently used concept in the debate about administrative reform. The argument usually goes like this: A common identity is difficult to establish in a new and larger region or municipality. That is, the argument is used in favour of small administrative units and against larger regions. This kind of argumentation is used all over the Nordic area.

The concept 'identity' has a positive but unspecific value attached to it. Thus, in Iceland, Åland and the Faroe Islands, but not in Greenland, the lack of support for the amalgamation of small municipalities has been explained as a fear of losing identity in larger units, i.e. in this context identity has supposedly something to do with proximity as a positive value. Another aspect of the fear of losing ones identity has to do with languages, e.g. in Finland where the fear of losing ones identity has something to do with an assumed threat against one's own language (whether it be Finnish or Swedish). That is, sharing a common language is also looked upon as a positive identity value. Finally, in Sweden the identity argument has been frequently used, but in a rather loose way. In Halland, for instance, the regional authorities have argued that it is "a matter of identity and democracy" to keep Halland as one region and one county. The positive ring to the concept of identity is of course strengthened when it is paired with the concept of democracy.

It is easy to see that 'identity' in the debate about administrative reform is a so called high-level concept. High-level concepts like democracy, sustainable development and governance, are at the very centre of the contemporary society for specific reasons. They suddenly appear and after a while they disappear. National identity was a high-level concept during the pinnacle of the nationalistic era in the late 19th and first half of the 20th centuries. It more or less disappeared in the decades following WWII, but has now re-entered the scene in relation to an, on the whole, united Europe that is paradoxically becoming more and more fragmented.

But 'identity' is also a "trans-discursive term". Such terms are used with various meanings for various reasons, and for various objectives by various people. A trans-discursive value term like identity can serve different purposes on a low level of conflict; but it can also be used with a very specific aim on a high level of conflict, either on a very local level or on a national, sometimes even on an international altitude. Herein are the value conflicts positioned, i.e. inside the concept, and here is where the interest conflicts located, i.e. between different users

with different interests. The debate about administrative reform throws up numerous examples of such conflicts.

## Structural reforms as a means to maintain the welfare state

In our 'emplotment' about administrative reform the waves of the past started rolling in the early 17<sup>th</sup> century when Denmark and Sweden were both thoroughly administratively reformed and a few decades later – 1648 – when both were internationally recognized as sovereign states in the Peace of Westphalia. The waves of the past have also brought with them the 19<sup>th</sup> century movement of nationalism that has been, and remains, of such great importance for the fairly new nation-states of Finland, Iceland, and Norway not to mention the self-governing areas of Åland, the Faroe Islands and Greenland. The 20<sup>th</sup> century, then, has seen some "giant-waves", some entirely negative, some thoroughly positive. We refer especially to the two world wars that affected all of the Nordic states and territories, albeit in very different ways, but also the breakthrough for democracy and the rise of the welfare state.

These waves of the past are today clashing against the ominous waves of the future; the state is said to be squeezed between supranational forces on the one hand and regional and local forces on the other. Loss of national sovereignty, national fragmentation and the financial difficulties of maintaining the welfare state, not to mention global warming, pandemics, terrorism and other horrifying scenarios. In short, it is not only the Nordic welfare state that seems to be in danger but the very concepts of "state" and 'nation'. This, we think, is the situation at large, at least on the surface, on which the arguments for or against administrative reform whirl around; this is the Drama which particularly for politicians reflects "the battle-experiences of the efforts to keep the positions between the waves of the past clashing against the waves of the future".

### European co-operation

The hundred years from ca 1850 to ca 1950 was in spite of revolutions, wars, and astounding social and technological breakthroughs, a very stable period at least in one particular aspect, namely the hegemony of nationalism. Not only the new and big nations in central Europe like Italy, Germany and Poland but also small ones in the periphery like Finland, Iceland and Norway used the ideas about nationalism in order to obtain full sovereignty. But old states like Denmark, France, Spain and Sweden also adopted nationalistic values and developed nationalistic interests and institutions.

These values, interests and institutions have however been the cause of much destruction and despair. The low-water mark for nationalism occurred in the late 1930s and early 1940s when most states were at a loss to protect their citizens and sovereignty. The decades after WWII until the mid 1970s were however a tremendous success for the idea of the nation-state, the welfare state was born and its blessings spread from area to area, from the sovereign state's primary fields of defence and jurisdiction to education, healthcare, housing, transport, culture, and so forth. This success however also contained an insight that a new order was needed, a new order that prevented nationalism from causing even more mayhem. That is, parallel with the post-war emergence of the welfare state the cracks in the nationalistic space of experience were fully recognized by the political elites in Central Europe and the need for a new order – a new horizon of expectation – was simultaneously acknowledged. In our part of the world this new order has eventually materialized as the EU.

Our point, so far, is that the nation-state order, with all its advantages and detriments, has for so long been a stable order, a social structure of such extensiveness that it has more or less escaped our attention. It has been the normality, and in many quarters it obviously still is. Ulrich Beck (1997) has denoted this unconsciousness "*Methodologisch Nationalismus*", meaning

that society and nation have since long been imagined, organized, and lived as if they are identical, i.e. the nation-state is everything and outside it is nothing else than other nation-states. This stable mental order with its particular institutions is apparently even now, when it is not so stable anymore, extremely difficult to abandon in favour of a new order. This is what Donald Schön already in 1971 analyzed when he developed the concept of dynamic conservatism in his book with the well informed title *Beyond the Stable State*. This is also what the sociologist Saskia Sassen (2006), among many others, talks about when she argues that it is more relevant to talk about destabilizations than globalization, because what is happening globally is the ongoing destabilization of the nation-states.

But the social and mental structure of the nation state is not yet dead. Alan Milward (1999) has thus shown that there is a widely spread misunderstanding concerning the origin of the European Union. The idea was certainly to integrate the member states in order to avoid future nationalistically driven catastrophes but integration was *not* intended to lead to a loss of sovereignty and submission to supranational institutions. On the contrary, integration was rather seen, and is obviously among the political elites in Europe still seen, as a means to strengthen *the national consolidation* of the member states.

The tricky concept here is ‘supranational’. The European Union does not see itself as a supranational institution. The strengthening of the national consolidation of the Member States is seen as a way to match supranational entities like worldwide business conglomerates, other super-regions such as South East Asia, other global actors such as the U.N, the World Bank, and so forth. But, of course, from another and “lower” perspective, the Union is perhaps increasingly regarded as a supranational institution. This perception is possibly reinforced as a substantial part of the new European horizon of expectation is focused on regions, on regional development strategies, on regional growth, in short on the Regions of Europe. It is also obvious that this regionalization idea has heavily influenced policies in countries that are not member-states, like Norway. The Lisbon strategy of 2000 and the revised version in particular, clearly gives a decisive role to regions, when it comes to giving Europe a glorious future.

The development of international co-operation, especially within the EU and the EEA, must primary be seen as a way of strengthening national states, and the Nordic countries are part of this process.

### Stronger regions

Parallel to the idea about national consolidation through international co-operation is however another movement, i.e. the fragmentation of Europe. On the state level we have witnessed the break up of the Soviet Union into 15 independent states (depending on what happens in Georgia it might be 17), Czechoslovakia into two states and Yugoslavia into seven. To that we can add the well-known tensions in Belgium, Italy and Spain, and on a less violent scale demands for more political, economic and/or cultural independence in Scotland, Wales, Brittany, and so forth.

Can the eagerness shown by some regional politicians in the Nordic countries to form larger regions be seen as part of the same fragmentation process? We think not, especially since the reforms in Denmark and Norway clearly has made the regions weaker than before as responsibilities are taken away from them.

Sometimes interests that are against regional reforms claim that this would be a step towards a more federal country, but federalism has never been mentioned as a goal by the supporters of structural change. Quite the contrary, the main efficiency arguments used in favour of larger and stronger regions have primarily to do with the survival of the welfare state: stronger regions may deliver more cost-effective solutions, and administrative reforms may – just as international co-operation – contribute to the strength of the state.

Furthermore, in spite of the labyrinth of conflicting values and interests most of the arguments about administrative reforms that we have studied obviously rest on one underlying and all-embracing assumption, namely that they are about factual matters, matters that can be

solved through rational thought and argumentation in order to choose the right route into the future.

But they are not. The debate is less about factual matters than it is about conflicting interests and values, and for such conflicts there are no right or true solutions only agnostic ones. Such conflicts can only be “solved” through the use of power-instruments. The modern democratic state has plenty of these instruments at its disposition designed to produce important decisions. When it comes to administrative reforms however, and with the exception of Denmark, the Nordic Governments are obviously extremely cautious, not to say irresolute about if, how and when to use such instruments.

In sum: The stable nationalistic past no longer provides us with unambiguous guidelines into the future. That is to say, it is not only the future but also the past that is not what it was yesterday. This is a confusing situation that we can witness on a daily basis both at the European level and at the local and regional level in the Nordic countries. The horizon of expectation is far from discernible, and in that respect it is as unstable as the space of experience.

## National differences in reform agendas and arguments

We set out to look at the content of the arguments used in relation to the ongoing debate across *Norden* over administrative reform rather than on their implications in the context of shifting or stabilizing power relations. The conclusion here is that the investigations made and many of the reports written as far as possible base their arguments upon experience and proceed with the ambition to deliver prognoses about alternative futures.

The arguments used in the debates are however less about factual matters than about conflicting interests and values. Somehow, we may conclude that this was somewhat disillusioning. Indeed, we could see that most arguments are based on a mixture of experience and horizons of expectations. However, only rarely are the experiences enriched with additional evidence or qualify themselves as giving the argument the aura of a prognosis. Most arguments remain prophecies and thus might rather belong to the category of arguments used for political positioning. This is furthermore underlined by the value dimension and the unresolved value conflicts within the arguments.

Nevertheless, the arguments provided interesting insights into the issues at stake and how arguments are used differently in the various countries concerned.

Arguments related to democracy are mainly used in support of administrative reforms in Denmark, whereas in the other countries and territories they are mainly deployed against reform. This difference is not least illustrated by the argument that large administrative units would weaken democracy, which is used in most countries, apart from Denmark, where there are prognoses that this relation does not hold.

Arguments related to efficiency and co-ordination are mainly used to promote administrative reform. Exceptions however here include arguments addressing bureaucracy and administrative costs as well as arguments that asymmetric models are better which are used in both directions.

Arguments dealing with economic growth and regional development are usually also used in favour of administrative reform. Interestingly this kind of argument does not appear to be of interest in the Danish debate.

Process arguments on the other hand are mainly used against reforms.

Going a little deeper into the topic the comparison between the various countries highlights some obvious differences and similarities in respect of initiatives, the reform agenda, the view of political parties, and the more general view of local administration:

- The initiative for administrative reform comes from central government and the tempo is high in Denmark and Finland. In both countries it is a purely political process with tight deadlines. Sweden and Norway on the other hand work through committees with an ambition to reach consensus before a reform is implemented – which probably explains why it is more difficult to implement any reform there.
- The reform agenda is also different. The Swedish and Norwegian debates focus on whether or not to reform the regional level of administration and to introduce larger and stronger regions. The focus is on the municipal level in Iceland and the self-governing areas of the Faroes, Greenland and Åland where there is no regional level. Denmark and Finland are working on both the local and regional levels. Denmark has already carried out a reform which reduced the number of municipalities and counties to one third their initial numbers. Finland is now reforming the municipal structure and is at the same time discussing a reform of the state's regional administration.
- There is in all countries a recognisable political right-left divide in the discussion about administrative reform. The arguments used do often mirror the political parties' more general attitudes toward the public sector in general. The right-wing parties want a two-tier system; the Social-Democrats are in favour of a three-tiered system but with a strong state administration and weak regions, while parties representing the peripheries generally speak for strong – but not necessarily large – regions. These traditional political divides do of course contribute to the difficulties of implementing changes as long as stable parliamentary majorities are difficult to establish.
- The view of the municipal sector is different between the countries. The municipalities are primarily service providers in Sweden and Denmark and may be seen as franchise operators of the *Government Ltd*. This efficiency and service-producing focus is also evident in Greenland. In Iceland, Finland, the Faroes, Norway and Åland, on the other hand, municipalities are permeated with stronger values of identity and self-governance.

This picture indicates a difference between a professional and often research-based discourse on the one hand and a political discourse on the other. That is, in the political sphere an administrative reform often serves purposes other than simply improving administrative efficiency. This is to say, that if the professional and research-based discourse regarding administrative reform in essence is rational from a spatial and causal perspective, then the political discourse is rational from a temporal perspective which in turn is governed by the efforts to maintain the political positions between the waves of the past clashing against the waves of the future.

The radical Danish reform is an obvious example, where the process of investigating different models was used to motivate a politically based reform without any research-based support for the actual solution. The Norwegian failure may also be understood in this way, i.e. the solution proposed after ten years of investigation and discussion did not offer political benefits for a majority in parliament. The Swedish case is not yet concluded, but again we can see that the arguments for a reform on the regional level are not politically sufficient for the strategists of the leading party in the government alliance. The Icelandic case is also interesting as it highlights the differences between structural and rational arguments on the one hand and political resistance on-the-ground on the other.

The similarities and differences in the debates about administrative reform are complicated and in some cases even complex, but they are nevertheless reasonably comprehensible. On the second order level, though, the understanding and interpretation of these similarities and differences is more intricate. That is, on this higher logical level we have to contemplate not only the difference that all the various arguments make but also the similarity that all the parallel and akin arguments create. Because, in spite of all the differences there is nevertheless a

family resemblance not only between similar arguments but also between those that are poles apart.

It is thus on this second order level that we can reconnect to our 'emplotment', the Drama. Namely, all the arguments in all the Nordic countries and regions about administrative reform seem to be conveyed in a situation between (1) a past that no longer provides a sufficiently stable platform for necessary decisions about (2) a future that has gradually revealed itself to be uncontrollable in an unprecedented way. That is, this is situation not only permeated with events, mostly of a political nature, but also restrained by various economic, social and technological structures. However, social structures often remain unconscious and unknown; their changes are so slow that they normally escape our attention.

While the professional and research-based investigations are strong on empirical evidence from the past and use that to make proposals for the future, the political sphere is primarily looking for future solutions that do not necessarily need any motivation from the past. The more directly politically-driven reform processes in Denmark and Finland do not need predictions or prognoses anchored in past experiences and research reports – as prophecies about the future are enough to see beyond the horizon as long as the interests are of a political nature. The more extensive reform processes in Norway and Sweden have a stronger research base, involve more people and take a much longer time. The weakness here is of course that empirical arguments do not necessarily say much about wise choices for an uncertain future. The reports produced do not provide political parties with enough positive expectations or political benefits to motivate them to assume the burden of the costs of reform.

This may explain why reforms can be carried out in Denmark and Finland, but are far more difficult in Norway and Sweden. The explanation is therefore primarily about the existence of political initiatives to make changes *without* extensive processes, and less about national differences regarding the administrative systems (East-Nordic vs. West-Nordic) or the historical values attached to local democracy and identity (State-nations vs. Nation-states).

That is, the prognostic value of the matrix we presented by way of introduction and as a guiding hypothesis about what kind of arguments we supposed to meet in the different Nordic countries has by now proven itself to be rather weak. The debates have shown very few traits of the national characteristics identified in the matrix. What is more, the arguments have been thoroughly political in the sense that they, on the whole, have neglected professional and research-based inputs. Together these two negative circumstances may however be understood as signs of a particular situation that occurs when the space of experience has cracked apart and the horizon of expectation therefore seems impenetrable. John le Carré has succinctly formulated this kind of situation in a novel about two Cold War spies in the aftermath of the DDR collapse: "There is no tomorrow. Not as it was yesterday."

This is a kind of situation that typically invites one or the other of three political options: (1) To at least do *something* regardless of confusing facts and opinions (as in Denmark); (2) To do *nothing* because of confusing facts and opinions (as in Norway); (3) To try to invent a new horizon of expectation (e.g. the E.U. constitution).

# Appendix: Theoretical and methodological approaches

## Introduction

In this introduction we present and discuss our theoretical and methodological approaches. The appendix is divided into two parts. The first mainly focuses on the theoretical aspects of temporality, which is the ‘red thread’ running through our inquiry. In this part we also discuss the concepts we use in the inquiry and those that are temporal in nature or that have temporal bearings, e.g. the concepts of ‘prediction’, ‘prognosis’ and ‘prophesy’, which are all about the future, but which are nevertheless very different. In the second part we focus on the methodological aspects of a comparative study, i.e. such things as compatibility and commensurability. In this second part we also discuss concepts like ‘differences and similarities’, ‘values’, ‘democracy’ and so on, i.e. the “substance” of our comparative study.

## Part I: Theoretical approach

### Temporality

All sorts of studies based on empirical data, like this one, are about past events, past processes, past structures, past actions, and so on, i.e. all sorts of empirical studies are unavoidably – in a sense – *temporal* studies. Hence, temporal theory is of interest when it comes to empirically based studies (e.g. Corfield 2007).

People in general take it for granted that there has been a past, there is a present, and there will be a future. But, notes Reinhart Koselleck, this "present" is not just the place where the future is transformed into a past, it is also the space of action where the battle is fought over our understanding of the past, and, simultaneously, the field where political and other interests are fighting over the shape of the future (Koselleck 2002).

This way of thinking about how the past, present and future interfere with each other, how they shape each other, and in strange ways presume each other is of course not very original; Aristotle, Augustine, Vico, Tolstoy, Orwell, Eliot, Heidegger and Gadamer have all done it, just to name a few of the many philosophers, novelists and poets that have been preoccupied with the phenomenon of time. However, Koselleck stands out in one particular respect, namely that he is theoretically occupied with what Arendt, with reference to Franz Kafka, has described as man's "battle experience" holding the position between past and future (Arendt 2004).

He builds on the philosophies of Heidegger and Gadamer, and calls into question the linear assumption of time, arguing that neither the past nor the future is something absolute and exclusive. Instead he claims that both concepts have to be understood relatively and as existing in a continuum; there is a future in the past, and a past in the future. Prophecies, prognoses, and predictions are nothing but forecasts in the past, i.e. every time we do something with some sort of request on the future – for instance when we plan for administrative reform – this very request is in fact a piece of the past in a story-bound future. Why is it like this?

Well, it goes of course without saying that there is such a thing as diachronic time, i.e. where past time, present time and future time follow each other linearly. But the way Koselleck argues implies that there is also, i.e. at the same time, synchronic time where the past, present and future are stacked as time-layers over and under each other in a non-linear way; these time-

layers constitute what Koselleck has called "simultaneous non-simultaneity". Hence, in order to inquire about the synchronic time in which we live it is necessary to separate these different time-layers from each other in order to describe their, respectively, specific nature. That is, different time-layers are characterised by their different kinds of socio-psychological time perceptions, e.g. sometimes we say that "time slips through our fingers", "time stands still", "we have not enough time", "this is a different time", "as times goes by", "these are difficult times", "a time of transition", and so forth. The way to describe the specific nature of a time-layer, an era or an epoch, Koselleck argues, is to investigate the basic concepts that are used, and how their meaning changes over time. And it is all too apparent that people across the Nordic countries, since the 1980s, have been subjugated to such different time layers characterised by concepts like knowledge society, information technology, innovation system, regional growth, partnership, and so forth.

Now, concepts differentiate themselves from words in that they are ambiguous. What transforms a word into a concept is the entire socio-political context of meaning that the word refers to and which is a part of the concept. Moreover, concepts are used synchronically. And, of course, this is how matters stand with many of today's basic socio-scientific and socio-political concepts such as the ones mentioned above. Koselleck does not discuss these concepts; he is occupied with concepts like revolution, democracy, communism, and so forth. But he makes a statement about "his" concepts that also holds for "ours"; Concepts have a clear temporal dimension, he says, i.e. they not only reach backwards, to our many simultaneous layers of times, but they also interfere with the future, and they define the horizon of expectation.

This brings us to the relation between two of Koselleck's most interesting methodological concepts, namely space of experience (*Erfahrungsraum*) and horizon of expectation (*Erwartungshorizont*). However, experience and expectation are not alternative concepts according to Koselleck; on the contrary, they are intertwined and presume each other, no experience without expectation, and no expectation without experience. He thus defines experience as present past, whose events have been incorporated and can be remembered. And it makes sense, he further argues, to say that experience based on the past is spatial in character since it is assembled into a totality, within which many layers of earlier times are simultaneously present, without, however, providing any indication of the before and after.

When it comes to expectations Koselleck argues that it is more precise to use the metaphor horizon than a spatial dimension because the horizon is the line behind which a new space of experience will open, but which cannot yet be seen. In spite of predictions, prognoses, prophesies, and other attempts to manage the future there is an absolute limit beyond which we cannot know, because it cannot be experienced. Hence, this is his thesis:

*[E]xperience and expectation are two categories appropriate for the treatment of historical time because of the way they embody past and future. The categories are also suitable for detecting historical time in the domain of empirical research since, when substantially augmented, they provide guidance to concrete agencies in the course of social and political movement (Koselleck 2004:258).*

That is, Koselleck's thesis has two parts, the one with a meta perspective, which is about the thematisation of what he calls "historical time", and the other that says that such time governs political and social actors.

Koselleck's meta-perspective says that the tension ("battle") between experience and expectation sometimes brings forth historical time. Thus prognoses always take off from experiences, i.e. it is from the space of experience that the horizon of expectation is seen. However, a prognosis is also constructed in the light of the decree to expect something. Sometimes expectations are let loose, expectations that cannot be inferred only from experiences. That is, sometimes "the previously existing space of experience is not sufficient for the determination of the horizon of expectation" (ibid: 263). When this happens, when the space of experience for some reason cracks apart and a new horizon of expectation has to be

opened it is relevant to talk about "historical time". – Here we come close to the differences between prediction, prognosis and prophesy. We will soon return to this.

However, this meta-perspective of course becomes particularly important as soon as one realises that there are obvious futuristic elements in the basic concepts that are used when one deliberates over administrative reform. In fact, the concept in itself contains futuristic elements, i.e. there are expectations that are let loose as soon as one talks about "reform". The same goes for concepts like strategy, programme, and so forth.

Koselleck provides us with an example of how a specific historical time can have an important impact long after its physical time (year, month, days). The example is based on the events in connection with the 1933 Nazi seizure of power in Germany. These events have really happened, he says, no one can doubt that. But, the experiences which are based upon these events are changing over time because accumulated experiences overlap and mutually impregnate one another. That is, the space of experience is successively changed. In addition, new hopes, or disappointments, or new expectations, enter all those simultaneous experiences with retrospective effect. Hence, it is apparent that not only are successive reinterpretations of a certain historical time "natural" but also that the horizon of expectation will be affected by such reinterpretations.

The nucleus of Koselleck's thesis as we see it is this: Historical times more often than not imply that the space of experience falls apart, i.e. old experiences lose their values and a new horizon more or less *has* to be opened, in one way or the other. This was the case in Germany 1933 as it was the case in France 1789. Perhaps it is now, in various degrees, the case in the Nordic countries. All these cases, albeit on somewhat different political and historical levels and with different consequences, are good examples of how historical time governs political and social actors in the sense that they were (are) urged to find, or invent, or perhaps even innovate, a new horizon of expectation, because no experiences were (perhaps are) valid any more, and when this was (perhaps is) the case there was (maybe is) no longer a future as usual. In his novel *Absolute Friends* about two Cold War spies in the aftermath of the DDR collapse John le Carré has succinctly formulated this kind of situation: "There is no tomorrow. Not as it was yesterday."

### Predictions, prognoses and prophesies

Related to the concept of temporality are the three concepts of prediction, prognosis and prophesy. Hence, it really goes without saying that the arguments about administrative reforms in all of the Nordic countries have a strong bearing on horizons of expectations; the gist of the arguments is that the reforms will either lead to better or to worse situations than the present states. One particular question we have to be observant of is therefore whether these futuristically oriented arguments have to be analysed as predictions, prognoses or prophesies.

A *prediction* is deduced out of a first principle ("all men are mortal") and a specific premise ("Socrates is a man"). The inference ("Socrates is mortal") – i.e. the forecast that Socrates will die some day - is not only unavoidable and logically true, but nothing more, nothing less and nothing else can be inferred from the two premises. That is, this is about deductive logic. It is not a very brave statement to say that it would be a sensation if we could show just one single case where the arguments about administrative reform rest on pure deductive logic. When analysing arguments about administrative reform we must however look out for futuristic arguments that *claim* to be grounded on axioms, first principles, and solid theory, i.e. that claim to be scientifically proven to be true beyond any doubt. Furthermore, when one takes a closer look at so called foresight-studies, roadmaps, scenario-techniques, *Delphi*-studies, and so forth, there is often implicitly an alleged first principle to be found somewhere in the argumentation. The problem is, of course, that there are no unshakable, absolutely true, first principles applicable to social life and society. That is, predictions are, or rather *should be*, out of the question in this context.

*Prognoses*, on the other hand, are trickier. Prognoses are the result of inductive inferences. That is, if one gathers statistics, cases, examples and experiences, and if one does this in a

methodologically careful way it is logically and scientifically unassailable to argue that all of them point in one direction, it is for instance possible to infer that swans are white because all the swans I have ever seen, so far, have been white. That is, the prognosis is more or less watertight that the next swan I will encounter will also be white. (Black swans of course crush the axiom of all swans being white, but that is another story.) The keyword here is methodology, i.e. the value of a prognosis stands in direct proportion to how rigorously scientific the gathering and handling of the empirical data have been.

This leaves us with *prophesies*, which in the best cases rest on abductive logic, which functions like this: We want to consider the future of complex situation *C*; If we then apply a factor *A* to the situation and the complexity dissolves and situation *C* becomes transparent and totally understandable we tend to infer that *A* is probably true and a good ground for action. But just probably true, because situation *C* can logically also become transparent by *B*, and *D*, and so forth. That is, abductive inferences (still in best cases) rest on intelligent, informative, and thoughtful guesswork. In worst cases abductive inferences are dead wrong because the guess-work is not intelligent enough; or if it is intelligent enough perhaps the necessary information is not sufficient.

Lastly, it has to be emphasised that there are also forecasts that rest on pure populist sentiments, or even soothsaying.

## Events and structures

Arguments about administrative reform are about both events and structures. For instance, many arguments are regarded as events as such, e.g. in the form of a contribution to a newspaper debate about administrative reform. And debates about such reforms often focus both on other contributions (events) to these debates, and on the substance of the proposed reforms, i.e. on administrative structures that ought, or ought not, be reformed. On another level, however, arguments about administrative reform have to be regarded as events which, in turn, have to be understood as elements of social structures, e.g. cultural norms, regional identities, collective "habits", and so forth.

There are several obvious connections between events and structures, but there is nevertheless a conceptual difference between them: their respectively temporal breadths are not congruent. The before and after an event encompass its temporal qualities, which means that events can be remembered and narrated. Social structures on the other hand can empirically be revealed only as long as their extensiveness does not exceed the memory of a contemporary generation. But social structures have longer extensiveness than that, which means that they often remain unconscious and unknown; their changes are so slow that they normally escape all sorts of attention. To detect and explain such historical structures was both the challenge and the achievement of the *Annales*-school that emerged in France in the 1930s (e.g. Burke 1992). It is quite clear, on the other hand, that social structures are formed by individual events, actions, and agencies, which in turn happen under the influence of such structures (Koselleck 2004).

This interplay is dealt with in, for instance, structuration theory: "The basic domain of the study of the social sciences, according to the theory of structuration, is neither the experience of the individual actor, nor the existence of any form of social totality, but social practises ordered across time and space" (Giddens 1984:2). Thus, the core of structuration theory is the duality and dialectical interplay of agency and structure, the one cannot be conceived of apart from the other.

Much more could of course be said about this interplay between events, actions, agencies and social structures, but our point is this: The close relation between agency/action/event on the one hand and social structure on the other must not be allowed to suppress the differences between them, because these differences have the epistemological assignment to reveal the many layers of history, i.e. the many layers of time (Koselleck 2004:105-114). That is, when we analyse an argument about administrative reform we have to see it both as an event as such, and to be aware of the fact that it might be a part of a larger (and much slower) social

structure. What is more, the argument can allude to an event, action or agency that has to be understood within the framework of a more or less explicit or – more often – implicit social structure.

### Revolution and crisis

The concept of 'revolution' changed its meaning during the 18th century: from a revolving and circular movement (lat. *revolutio*) to its modern meaning of a major, often in one way or the other violent or forceful, structural change implying a before and an after. This modern meaning comes close to the concept of 'crisis', which is derived from the Greek *krinō* which in turn means to cut, to select, to decide, to judge. The concept crisis was originally aimed at a definitive, irrevocable decision that led to success or failure, right or wrong, life or death, salvation or damnation. In ancient times the concept pointed to the pressure of time, i.e. the small time gap between past time and future time when a decisive decision is taken.

With reference to the climate crisis, the new techniques that revolutionize transport, communications, economics, production, and people's ordinary everyday lives, it is not farfetched to place the present arguments about administrative reform in the Nordic countries in a situation that can be understood as the small time gap between past time and future time when some decisive decisions, also about administrative and organisational matters, have to be taken. Indeed, there are some good reasons to use these two concepts as analytical tools when one analyses the arguments about administrative reform.

### Rhetoric

In connection with what is commonly termed "the linguistic turn" in philosophy in the 1940s, -60s new interest emerged in the epistemological aspect of rhetoric. Pure analytical philosophy has been forced to yield on the insight that all kinds of statements have to be expressed in some sort of language, and furthermore, that thought, language and action belong together (Uhlín 2006). This is also the point of departure for the theoretical school called "*la nouvelle rhétorique*" (Perelman & Olbrechts-Tyteca 1969). In this new rhetoric one tries to bridge the gap between, on the one side, the kind of critical thinking that has characterised western scientific thinking since Plato and Descartes, and on the other, the neglected heuristics of Aristotle and his successors in which trust instead plays an important role, especially as it stands out in Aristotle's rhetoric (Rosengren 2002).

Aristotle divided rhetoric into three kinds, *the judicial* directed towards the past, *the deliberative* towards the future, and *the demonstrative* towards the present (Aristotle 1991). José Luis Ramírez has recently suggested that we should understand this as rhetoric's three kinds of discourses. He further argues that while the temporal perspective as a principle is not present in the scientific discourse, it is always present in all kinds of human actions, i.e. in the kinds of situations that rhetoric reflects (Ramírez 2004). And, may we add, in the kind of situations that administrative reforms reflect. Hence, it is quite rewarding in this context to take a look at Aristotle's three rhetoric discourses.

The first rhetorical discourse concerns deciding on what has happened in past time, e.g. in connection with legal processes and evaluations. However, it is not about finding facts in a scientific sense, but it is rather about what has actually happened in relation to what *should* have happened if one had acted in another way. That is, what has happened is put into a context where one has to assess if this can be considered good and righteous, or bad and iniquitous, or if it downright ought to have happened in another way. Hence, this kind of rhetorical discourse relates to considerations about the approval or disapproval of performed deeds, and, in other words, to deliberations about what sort of arrangements *ought* to be taken, for instance in courts. That is, this rhetorical discourse is about how one should understand what once happened, and above else what political, financial, judicial or administrative consequences this ought to have.

That is, this first discourse immediately leads to the second, which concerns deliberations about actions for the future. The Latin term for this is *genus deliberativum*, i.e. the same term that

is now used by, for instance, political scientists who talk of "deliberative democracy" (e.g. Elster 1998). As such, this rhetorical discourse is about deliberations over *possible* actions. And, of course, actions of this kind take their point of departure from what has been done previously, or what has happened in the past, though it also is a question of what is good for the community without this "good" necessarily having a connection to experience, i.e. to the past. What is important when it comes to deliberative rhetoric thus is what has to be done in the future.

The third and demonstrative kind of rhetorical discourse really does not make any statements about what is happening in the present (situation). This is a common misunderstanding among all of the recent "experts" on rhetoric. Ramírez, for instance, instead argues that this third kind of rhetoric is a "penetration of in what way the designer of the speech chooses words, structures and arguments". And he adds: "This demonstrative kind of rhetorical discourse is the instrument that is used in order to make a discourse trustworthy" (Ramírez 2004:53; our translation from Swedish). That is to say, this third discourse is, according to Ramírez, the instrument that binds together the rearward and the forward-looking discourses. But, and as we have deliberated about above, "the present" is an indescribable phenomenon, which in a mysterious way binds together the past and the future.<sup>1</sup>

In sum: Although rhetoric recently has made a return as a respected branch of language philosophy with strong linkages to knowledge theory in many quarters it retains a bad reputation and is simply not taken seriously. Nevertheless the arguments about administrative reform are permeated with rhetoric. When and where it is a good and serious rhetoric we think it deserves our full attention.

## Part II: Methodological approach

### Comparisons

The second most important concept in this study is comparison. This is a comparative study of arguments and values about administrative reforms in the Nordic countries.

It is of course possible to compare anything with anything else as long as the compared entities are compatible and commensurable. Compatibility is about what is semantically and logically possible to bring together; high jump and bread, for instance, are not compatible categories. Commensurability is about what is practically possible to compare; Champions League in soccer is compatible with the children's soccer tournament in the backyard, but the two categories are not commensurable, neither from a quantitative nor from a qualitative perspective.

The matter of compatibility and commensurability both logically and semantically however constitutes a rather complicated field. We will try, thought, to take a shortcut to the heart of the matter. First, comparisons aim at relating – in our case – the arguments about administrative reform in one nation to something concrete, namely to the corresponding arguments in the other Nordic nations. Second, historical comparisons – which is what we are dealing with – usually aim at emphasising what is general or what is unique. Third, in relation to what is described and analysed the comparison implicates an imagined development of abstract character, i.e. the comparison provides criteria for focusing, and thus it makes possible another kind of historical description (e.g. Sejersted 2005:17-18). We have to take a closer look at these three aspects.

Thus, the main methodological advantage of comparing the argumentation about administrative reforms in the Nordic countries rests on the fact that the categories in question

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<sup>1</sup>Aristotle himself was obviously puzzled by the concept "now", i.e. what it really consists of, what its function is for time and change, etc. He conducts a long discussion about it in his *Physics*, Book IV, Chapters 10 & 11, but he does not reach any definitive conclusion. Ackrill, J.L. (ed); *A New Aristotle Reader*, Princeton University Press 1987.

are concrete. But not everything about these categories is concrete. There are also abstract phenomena to be taken into consideration. And it is of course possible to compare something concrete, for instance the results of an economic growth process, with something abstract, for instance the ideal targets for such a process. On the other hand, the level of concreteness rises when one compares the ideal (visionary) goals in one society with the same kind of goals in another society, especially if the two societies are reasonably alike with regard to socio-economic and cultural factors. Regardless of whether the one set of goals appears to be more idealistic and visionary than the other it is however possible to say that both sets are functionally equivalent, i.e. they have corresponding or equivalent functions in society. Hence, the two categories will certainly not be more concrete, but the comparison will.

What is however important with comparisons as a scientific method, and perhaps especially when one deals with categories in past time, is to be concrete and explicit when it comes to which entities one compares, and why. One particular reason for this kind a caution is that the temporalities of arguments are often both diachronic and synchronic, i.e. at the same time. We will discuss this in a moment.

Furthermore, historical comparisons more or less implicitly aim at the creation of a platform from which it is possible to choose what could be considered to be general or to be unique. This evokes two classic problems. First, historians usually argue that history is a non-recurrent phenomenon, it does not repeat itself, each event in history is unique, i.e. the discipline of history is in its nature idiographic, not nomothetic, it does not occupy itself with the general and what is conformable to law. Second, if historical events and processes are unique, how could it then be possible to compare them?

The first problem is immediately solved if one accepts an idea which we have already touched upon and which we will soon discuss in greater detail, but which in essence says that there are different temporal velocities, i.e. there are different layers of time in which time moves with different velocities. Social events, for instance, usually have a high velocity, i.e. they are "faster" than social structures that are much "slower" in the sense that they only develop and change over decades and even centuries. The daily events during for instance the political revolutions of 1789 and 1917 in France and Russia respectively were totally different, and in that respect unique. But the structures of these two revolutions were astonishingly similar and in this respect general, and thus commensurable (Koselleck 2003:23). That is, even if the particular events, actions and agencies concerning administrative reform in for instance Sweden and Denmark respectively have been, and are, unique, the structures of the public debates perhaps are not. The latter are more general, we think, and therefore they are not only compatible but also commensurable.

There is a classic answer to the other problem, i.e. how it is possible so compare something unique with something else that is also unique. It is namely just possible to be precise about what is unique through a statement about what *is absent* in the entities with which one compares. Or in Peter Burke's words, "to understand the significance of the particular absence" (Burke 1992:23). That is, if it appears that a certain phenomenon does not exist in other places than the one which one compares with, well only *then* is it unique.

An idea of a similar kind takes its point of departure in the concept of "constraints" (Asplund 1985; Ashby 1958). The idea is this: If one says of a system that it is subject to constraints one has said nothing about this system as such, but something about its *relation* to another system, imagined or real:

*Since a constraint is a relation between a given system and another system it is impossible to identify eventual constraints just through studies of the given system. One has to go beyond the given system. One could say that constraints are not "positively given". They do not appear to the immediate empirical observation. Constrains have to be defined out of characteristics that a system does not have, or from the starting point in events which have not occurred in the system ('non-events') (Asplund 1985:196; our translation from Swedish).*

That is, in order for the constraints to emerge and to be detected the given system has to be compared to something else, e.g. some other systems, real or imagined. We have however to observe that constraints do not emerge to the immediate empirical observation; it is not enough to "stare at the empirically given" (Beckman 1990:146), that is to make the "epistemic fallacy" (Bhaskar 1976). Moreover, we have to observe that the constraints have to be specified with a starting point in characteristics that a system does *not* have ("the significance of the particular absence") or in events that have not happened.<sup>2</sup>

In sum: We can learn about a system to the extent it is subjugated to constraints; the fewer constraints we observe the more unintelligible is the system, and conversely, the more constraints we detect the more we can learn about the system.

Now, the third important aspect of comparisons as an important scientific method, especially within the social sciences and the humanities, is the following: In relation to what is described the comparison implicates an imagined development of abstract character, i.e. it provides criteria for focusing, and thus it makes possible another kind of historical description.

Let us start from the end, i.e. that a comparison makes possible another kind of historical description. Classic historical investigations for instance deal with the development of a state during a certain period, or the political biography of a statesman, or the change of a village from past time to present time, and so forth. More modern historical works focus on the changes in social phenomena, the historical causes of economic problems, and so on. But the systematic comparison is another kind of historical account, namely that it does not primarily take its point of departure in change over time but from the systematic comparison between two (or more) entities at a given time (which can have some extension) in history. (Please observe, however, that comparisons of arguments at a given time do *not* exclude the temporal nature of the *arguments per se*.)

That is, a systematic historical comparison – which our inquiry undeniably is – is of course an entirely different *kind* of story than an account of a singular event or process, for instance the emergence of administrative reform in Denmark. The heart of the matter in systematic comparisons thus has to do with focal points, i.e. a decision about what entities should be compared to each other. A choice has to be made because it is impossible to compare everything with everything else that are compatible and commensurable, and something certainly sticks out as more interesting than something else. That is, the systematic historical comparison offers another and more concrete criterion for the design and focus of the investigation than other historical investigations.

But a systematic historical comparison also offers an imagined development of abstract character. This is because all sorts of historical accounts of course invite us to *implicit* comparisons between past time and present time. Systematic historical comparisons, however, are *explicit*, and in such assessments the story will not just be of another kind but the comparison will for each of the compared entities imply another, possible, and in that respect abstract development than the one that actually occurred, namely the development that took place for the system with which one compares. Let us look at an example.

When Francis Sejersted (2005) compares Sweden and Norway at the time of the disintegration of the Swedish-Norwegian Union he is able to point at institutions that Sweden compared to Norway (or the other way around) did *not* have and events that had *not* occurred, but which *could* have happened. He exemplifies with the late democratisation process in

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<sup>2</sup> One of the most famous literary examples is when inspector Gregory asks Sherlock Holmes for help to solve the mystery with the stolen race horse and he asks Holmes:

- Is there any other point to which you want to draw my attention?
- To the curious incident of the dog in the night time.
- The dog did nothing in the night time.
- That was the curious incident, remarked Sherlock Holmes

Doyle, A. C.; "Silver Blaze", *The Complete Sherlock Holmes*, Garden City, New York 1927, p. 397. This example is also often referred to as an example of abductive logics. The likely (but not necessarily the only) explanation why the watch dog did not bark when the horse was stolen from the stables was of course that the dog knew the thief.

Sweden as compared to Norway, and the late industrialisation process in Norway as compared to Sweden. This of course raise questions like why democratisation in Sweden was so late (compared to the process in Norway), and why industrialisation was comparatively late in Norway (compared to industrialisation in Sweden). This kind of reasoning and questioning not only implies alternative development processes but also strengthens suggestions from historians that history ought to be written "forwards", i.e. not only from hindsight with the historical "results" at hand (e.g. Nilsson 1989).

## Values

An important concept in this study is the concept of value. All current arguments about administrative reform in the Nordic countries are laden with values – explicitly or implicitly. Without paying regard to these values it is impossible to compare the arguments, to analyse their similarities and differences, to investigate whether they end up in predictions, prognoses or prophesies, and so forth. Values are studied within several empirical sciences, e.g. anthropology, sociology, psychology, history, and so forth. Within these and other empirical sciences interest is focused on what values people *have*. But, what values *are* and which values are the *right* and *true* ones are issues within value philosophy. When discussing arguments and values about administrative reform it is impossible to avoid either the empirical or the value philosophical aspects. It is however with some hesitance that we approach the field of value philosophy. The reason is that this field is not only vast but also very complex.

Value philosophy thus consists of two major sub-fields: *value theory* and *normative value philosophy*. The two sub-fields in part overlay each other, which does not make value philosophy any easier to understand. Anyway, value theory is about those value judgements or value statements with which we express values. This is the part of philosophy in which one examines the common base for different kinds of judgements, e.g. technical, judicial, aesthetic and moral judgements. The kind of questions one asks within this field is: How do we justify value judgements? Is it *at all* possible to justify such judgements? Is it possible to do it more or less in the same way that we use when we justify judgements in fact-related issues? That is, can values be objective in some reasonable meaning of the word? And, can they be true and false in the same way and to the same extent that scientific theories can be true or false?

The other major sub-field of value philosophy, i.e. normative value philosophy, is occupied within the sub-sub fields of normative ethics, normative aesthetics, normative political value philosophy, and science theoretical value judgements, e.g. when one argues that one particular scientific theory is better than another theory.

In sum so far, and again: Norms and values are studied within several empirical sciences, but here the interest is focused on what values people *have*. Within value philosophy one is interested in what values *are* (value theory) and which values are the *right* and *true* ones (normative value philosophy) (e.g. Bergström 1990).

We now turn to the normative part of empirical value research and we will start with an example: Even if all Swedes, for instance, think that an administrative reform leading to a handful of large regions is the right thing for the country, it is not self evident that Sweden *ought* to implement that administrative reform. This is because the conclusion is not *logical*. On the other hand, if all Swedes think like that it could be said to be a good *argument* for implementing larger regions. What is more, one must distinguish between *good* and *effective* arguments. On the other hand, an effective argument that really effects people is not necessarily a good argument, i.e. an argument that shows that the opinion is right or that it *ought* to be accepted.

This rapidly boils down to what usually is called Hume's Law (after the Scottish 18<sup>th</sup> century philosopher David Hume). The law is often expressed like this: "one cannot deduce ought from is", or "ought to cannot follow logically from is". A more elaborated definition is: "No pure value judgement can logically follow from a consistent set of pure empirical premises".

So far, and still within the normative part of empirical value research, all of this is reasonably straightforward. But here comes the confusing part. Hume's law is contested from

many different directions ("schools") within the value theoretical sub-field of value philosophy. For instance: Value naturalists argue that value judgements are nothing but pure empirical judgements; Value emotivists argue that value judgements are not judgements at all; Value objectivists argue that value judgements are genuine judgements that can be objectively true or false but that they cannot be reduced to, or identified with, empirical judgements; Value realists argue that all value judgements can be true, and true in an objective meaning independently of our thinking and attitudes (Tännsjö 1990). Further on there are value idealists, value nihilists, and so forth. Hume's law is possibly compatible with the value objectivist position and definitely with a value realistic standpoint. We take a pragmatic position and opt for the value-realistic position. There is, however, also a value pluralistic position and we will soon discuss it since it concerns conflicts.

## Conflicts

Conflicts (lat. *conflictio* or *conflictus* = collision) can of course be of enormous complexity, not only on the scene of world politics but also in our everyday lives, even within single individuals. In order to be practical about conflicting arguments about administrative reform as well as conflicts within one and the same argument we therefore need a model that simplifies this complexity.

Thus, we suggest that there are five ideal types of conflicts:

- Conflicts about factual matters, e.g. when we argue with our colleagues which are the most price worthy computers to buy for the office;
- Conflicts about roles, e.g. when one finds oneself involved in a dispute with a colleague whose responsibility it is to do a certain job;
- Conflicts that emanate out of misunderstandings ("pseudo conflicts"), e.g. when an escalating row in fact has its origin in a misunderstanding;
- Conflicts about values, e.g. between the value of economic growth and the value of environment protection;
- Conflicts about interests, e.g. when two people are applying for the same job.

Once again, these are ideal types, whereas in real life conflicts are complex and they usually "consist" of two or more of these types. However, these types can help us to make one important distinction, namely, on the one hand, between conflicts that can be solved with recourse to some sort of rational measure like calculation, investigation, logical reasoning, and so forth, and on the other hand, conflicts that can only be settled by using legitimised and institutionalised power.

It is rational to approach the first three types of conflicts that are listed above with some sort of investigation, e.g. to rationally calculate which computer would be best for the office given specified needs, cost limits, etc.; or to better specify responsibilities in two or more overlapping job descriptions; or to go back step by step to the original event that caused the row between for instance two people, an event that was misunderstood by one of the participants.

This kind of investigating strategy is however useless when it comes to conflicts regarding both interests and values. For instance, if two people with exactly the same merits are applying for the same job it is pointless to try to make some sort of rational calculation in order to calculate to which of the two applicants the job should be given. Instead someone has to make a decision, i.e. to use his or her legitimised power as (for instance) head of the department in order to say that *A* shall have the job, not *B*. When it comes to values it is even more complex, and this is where we come back to value pluralism.

Isaiah Berlin has persistently argued that in the western intellectual tradition, from Plato to our own day, the overwhelming majority of systematic thinkers of all schools have proceeded, and still do, on the basis of one un-argued assumption, namely that reality is in essence a rational whole where all things ultimately cohere. They suppose, Berlin says, that there exists (at least in principle) a body of discoverable truths touching all conceivable questions, both

theoretical and practical. They also take it for granted that there is and can only be one correct method, or set of methods, for gaining access to these truths. Moreover, they take it as self-evident that these truths, as well as the methods used in their discovery, are universally valid (Berlin 1990). Against this monistic tradition Berlin argues for a value-pluralistic conception of the world. This conception must not be juxtaposed with a relativistic approach, i.e. that "anything goes". On the contrary, Berlin is a realist, a value-realist. Values exist in the real world, he says, and they can be true in their specific cultural contexts even when they contradict each other, i.e. true values in the real world are often incompatible and incommensurable and as such in conflict with each other (Gray 1995).

That is, also so-called basic values, for instance equality, can be laden with internal conflicts, e.g. equal opportunities are often in conflict with equal results. It is the same problem with the value of freedom, e.g. the freedom for the news photographer to exert his profession is often in conflict with the celebrity's freedom to have a private life. This means that the world is full of conflicts that can neither be solved through reduction to some sort of univocal and absolute set of basic values ("the naturalistic fallacy") or which in some other way could be managed with scientific methods. Instead we have to learn to live with these conflicts which belong to the domain of ethics, not the domain of science. The world is agonistic, but this is not just of evil. On the contrary, Berlin says, many conflicts create pluralism and asymmetry which enrich our existence.

Berlin has also shown that value pluralism of this kind has deep historical roots, from Aristotle to Herder. And we may add the 19<sup>th</sup> century pragmatists William James and John Dewey and contemporary philosophers like Richard Rorty, Hilary Putnam, Roy Bhaskar, and so forth. The point of this "name dropping" is to show that ideas about pluralistic, pragmatic (in a philosophical meaning) and trans-disciplinary ways of understanding society have a long and venerable tradition. On the other hand, this tradition has over the last hundred years or so been overshadowed by other and more popular ways of thinking, for instance by positivism and analytical philosophy.

## Democracy

The concept of democracy thus both covers values like freedom and equality and a specific form of governance. As we have already showed, freedom and equality are two of the most discussed value concepts in our culture. However, democracy - meaning self-government by the people - is also complicated in that both the concept of 'people' and the concept of 'self-government' have been interpreted in many different ways. What the concept of people should include has over time been a hotly debated issue. Although some limitations in respect of special groups of citizens remain (the incarcerated, the mentally insane, non-national residents etc) it is now more or less clear that all adults have the right to vote in general elections. The problematic issue now is rather the reverse, i.e. to convince people that it is important to take part in the entire democratic process, not just on Election Day.

A current issue in respect of self-governance is the so-called democratic deficit in connection with different sorts of partnership, for instance in *triple helix* arrangements when industry, university and government are supposed to cooperate for economic growth and regional development. The problem is about democratic accountability, i.e. all parts of the partnership are not representatives of and responsible to democratically elected assemblies.

Furthermore, in connection with the debate about administrative reform there are arguments both for and against in-put and out-put democracy. Other denominations are democracy *ex-ante* and democracy *ex-post*. That is, in the former kind of democracy one puts the emphasis on the democratic process before it is time to vote; the idea being that all the arguments have to be scrutinized so that truly well informed citizens can make the wisest decisions. Out-put, or *ex-post* democracy, on the other hand emphasises results and efficiency, i.e. the idea here is that people exert their democratic rights on Election Day.

There is of course a logical relationship between the idea of out-put democracy and so-called top-down policies; there is also a natural link between the notion of in-put democracy

and so-called bottom-up processes. What sometimes makes arguments about administrative reform obscure and difficult to understand however is that one often finds advocates of top-down policies arguing in favour of democracy *ex-ante*. And *vice versa*, i.e. bottom-up processes in combination with democracy *ex-post*. Not that these combinations are entirely impossible, but they certainly demand a certain amount of intellectual clarification before they can be accepted.

### Similarities and differences

What has been said thus far about comparisons can in a more general way also be said about similarities and differences. However, the specific point of departure in respect of differences in this context is Gregory Bateson's famous dictum that "Information consists of differences that make a difference at some later event" (Bateson 1972/1987:381).<sup>3</sup>

Bateson exemplifies his reasoning with how a thermostat functions. A thermostat registers the difference between a "present state" and a "preferred state", the latter which has been decided upon at an earlier time. A correction in say the temperature of a heater is administrated by the thermostat. As soon as the present state temperature in the room deviates from the preferred state the thermostat makes a correction, i.e. the correction occurs as a later event compared to when the original setting of the thermostat was made. This mechanism is however not only valid for thermostats but for all sorts of feedback administrated systems, i.e. also social systems. Given this, one immediately realises how this way of reasoning corresponds to what was said above about social temporality, i.e. past time (when the setting of the thermostat was made), present time (the present temperature) and future time (the past time idea of the preferred future behaviour of the thermostat with regard to the temperature) constitute a holistic and synchronous process rather than a diachronous one. This line of reasoning in turn constitutes an integral part of our line of inquiry: Analyses of (past time) arguments about administrative reform in the Nordic countries will, at a later event, most probably show an informative difference in each country, i.e. when the once preferred future state suggested in for instance public committees or Government propositions is compared with the decisions or debate at a later state. Furthermore, it is of course possible and it might then be interesting to compare the results of these comparisons within specific countries between the Nordic countries.

However, there is also a meta level in Bateson's dictum: A certain difference understood as constraints in one system compared with another system at a later event makes a difference understood as constraints in our *old knowledge* compared to our *new knowledge*. That is, the concept of information in Bateson's dictum is the result of a difference of the second order. Put in another way: The difference between, say, the modes of arguments in Finland and Norway (of the first order) should reasonably make a difference (of the second order), namely in relation to our "old" knowledge and ideas, and perhaps even to our sometimes rash and taken for granted ideas about administrative reform, reform processes, and so forth. The precondition for the comparisons between the two modes of argumentation to be informative in a more profound meaning thus is that both the directly observable and the indirectly stated differences of the first order are used as a starting point for reflections on differences of the second order in relation to our predominant knowledge and ideas.

What is then meant by similarities is by no means patently obvious. 'Similarity' is obviously "less" than 'identical' but perhaps "more" than 'likeness'. But what about 'sameness' and resemblance? Wittgenstein's well known concept of 'family resemblance' is actually about differences that are nevertheless alike in one particular aspect, namely that they belong to the same "family". For instance, chess and ice-hockey are not the least alike but we nevertheless immediately recognise both as games.

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<sup>3</sup> This quotation exists in many variants in Bateson's "Steps", for instance also on page 315. The quotation we use here differs from the other variants in that Bateson has added the words "at some later event".

## State nations and nation states

The arguments for and against the topical administrative reforms have to be understood against a particular historical backdrop. That is, here we touch upon a vast field of research that re-emerged in the 19<sup>th</sup> century, and not only within the academic field of history, but also within the fields of political science, sociology, anthropology etc. Since then the research interest in these fields has grown exponentially. Hence, we have to restrict ourselves to a simple conceptual matrix in order to underline our basic argument, i.e. that although the current arguments for and against administrative reform on the surface might seem very much alike this is in fact a fundamentally false conjecture.

	West-Nordic ministerial governmental system	East-Nordic technocratic governmental system
State-nations	Denmark	Sweden
Nation-states	Norway Iceland	Finland

The matrix should be understood like this: There is a difference between state-nations and nation-states. Denmark and Sweden belong to the former and Finland, Iceland and Norway to the latter. That is, Denmark and Sweden were recognised as sovereign states long before they became nations, i.e. they were constitutionally recognised as sovereign territories by international agreements (the Peace of Westphalia 1648). Administratively speaking they had already by then strong centralised governments and both countries were thoroughly administratively organised. On the other hand, when the nationalistic idea (which is not a constitutional idea but an idea about the values of a common language and culture, of sharing some fundamental rights, etc.) rapidly gained ground in the middle of the 19<sup>th</sup> century, people in Finland, Iceland and Norway started to consolidate themselves as nations, i.e. long before they could declare themselves as sovereign states and build all the institutions that are typical of such entities. In sum, for historical reasons the state has a far stronger position in Denmark and Sweden than in Finland, Iceland and Norway, where, on the other hand, national identity and nationalistic values are stronger (Hettne, Sörlin & Østergård 1998; Sejersted 2005; Uhlin 2007).

## East Nordic and West Nordic models of governance

What is more, two rather different traditions of central administrative system have been identified among the Nordic countries. On the one hand there is a west-oriented and ministerial tradition that is to be found in Denmark, Norway and Iceland. On the other hand there is an east-oriented and technocratic tradition that is prevalent in Sweden and Finland. The former is oriented towards input-democracy, i.e. where parliamentary responsibility is the centre of attention and where political decisions are carried through by a loyal administration. The latter is characterized by rather independent agencies and their judgements. They represent an output-democratic tradition where results and efficiency are to the fore (Rokkan 1987; Gidlund 2000; Veggeland 2003).

To these very fundamental and different traits one has to add the impact of modern historical trajectories such as the very different types of industrial development, experiences of war, relations with the EU, foreign policies in general and regional policies in particular, and so on. Given these differences the straight structure of the matrix is often blurred when it comes to particular issues and it is not hard even to find "anomalies". Thus, it goes without saying

that even if the topical arguments about administrative reforms in the Nordic countries on the whole look alike they are, as soon as we take a closer look, truly different both in scope and character.

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