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Good Governance in Norway

Norwegian public administration has gone through a rapid transformation since 1992 marked by a strong emphasis on the reorganization of state agencies. Apparently, this modernization effort has not been much influenced by the prescriptive ideas of “good governance” promoted by international organizations such as the World Bank, OECD, and the European Union. Yet, government officials have had to relate to the terminology in their reports, and Norwegian scholars have eagerly employed the concept, especially in regard to “network governance” in their research. Some practitioners have even introduced the idea of “governance skills.”

This chapter first discusses the recent modernization of Norwegian public administration at the state level and how Norwegian officials have interpreted and responded to new ideas about governance as introduced by international organizations. The chapter goes on to show how Norwegian scholars have discussed and applied the concept in their own research. Finally, there is a brief presentation of efforts to make practical use of governance in planning and policy analysis.¹

¹ The author thanks Signy Irene Vabo for useful comments in preparing this chapter.
Perceptions of good governance: 
The evolution of Norwegian public administration since 1992

International comparisons usually show Norway near the top regarding its level of public consumption, which has expanded significantly since 1992. Similarly, Norway scores highly with regard to public trust in public institutions, and Transparency International rates the level of corruption as low.

Despite these positive indicators, public satisfaction with public services has decreased, Norwegian courts deal with an increasing load of corruption cases, and independent investigations have shown serious deficiencies in the performance of several government agencies.\(^2\)

Particularly, the Norwegian Labor and Welfare Administration, NAV, has recently suffered a sharp decline in customer satisfaction. In 2007, this mainstay of the welfare state, belonged to the ten public services with the lowest score.\(^3\) This decline is especially unfortunate since the new agency was established in 2006 precisely to improve customer service by incorporating the former state agencies dealing with social insurance and unemployment benefits together with municipal social assistance providers. Additionally, local mayors set high expectations to the integration of the three services to accommodate local needs.\(^4\) Although this reform appears to be unique in its ambitions and scope, affecting 14,000 public employees in the state sector alone, the NAV reform typifies the recent modernization

\(^2\) See, for example, the independent investigation commission report evaluating the Norwegian authorities’ inadequate handling of the tsunami flood in South Asia in 2004 and the report of the Auditor General into the deficient treatment of adults with mental health problems [Document no. 3:5 (2008–2009)]. Similar reports with summaries or press releases in English can be found at http://www.riksrevisjonen.no/en/.


of public administration in Norway with its emphasis on structural reorganization.

In recent years, reform in the public sector, both at the state and the local level, has focused on changes in the organizational structure. In a remarkable report, the Directorate for Public Administration and IT, DIFI, which itself came into being in 2008, has charted the rapid pace of reorganization since 1992. The DIFI report shows that the number of state agencies has declined steeply from more than 350 to less than 250 over a period of fifteen years. This reduction has been mainly accomplished either by fusing agencies at the national level or by devolving tasks to non-state actors at the municipal level or in the market. However, there are several instances of reverse processes, whereby major tasks, such as hospitals and food safety, have been centralized at higher levels of the government. For this reason, observers, such as DIFI, find it difficult to detect a common pattern behind these reorganization efforts, except perhaps sector interests and political expediency.

Another government report that has taken a closer look at the reorganization of ministries and other state agencies, conclude that a leading principle of this process has been to create clear distinctions between the different tasks and roles of public administration. Service providers have been outsourced to agencies that have either been privatized or given a semi-independent status as publicly-owned corporations or foundations. To monitor and control the activities of these autonomous entities, the government has found it necessary to establish several supervisory agencies such as the Norwegian Railway Inspectorate. When the county hospitals were nationalized in 2002, they were not put under direct ministerial control, but incorporated into at first five, later four, regional state enterprises.

Although reorganization remains the most tangible outcome of the modernization of Norwegian public administration, the reform agendas since 1992 have included other goals such as improving efficiency, quality, and user orientation. However, these admirable aims have too often failed to show significant positive results. Computerization has not improved productivity and communication as much as expected. Different information technologies have been allowed to proliferate in the public sector without much central coordination. Divergent opinions prevail regarding citizen participation: should public service providers emphasize consumer choice by encouraging competition or seek direct involvement of citizens in the shaping and delivery of their services?

Other public sector reforms favour management by objectives and results rather than traditional Weberian type rule-orientation, although the actual production of new regulations after 2000 remains higher than in the 1990s. MBO has given agency executives more freedom concerning budgets, recruitment, and salaries. On the other hand, managers have to follow – but they often disregard – stricter rules regarding purchasing and contracting, partly as the result of the EEA treaty with the European Union.

DIFI sought in 2008 to report actual results regarding the effects of reorganization, but disappointingly found only a few systematic evaluation studies, some written by consultancy firms, others by academics and master students. Scholars, however, point out that

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8 Ibid.
10 The Kingdom of Norway has since 1994, together with the Republic of Iceland and the Principality of Liechtenstein, enjoyed a mutual treaty with the European Union, which allows for full integration in most economic fields, except farming and fisheries. Norway also participates in other types of EU cooperation such as education, research, and passport-free travel.
frequent reorganization and the introduction of MBO resulted in the establishment of several independent agencies and supervisory bodies. The cumulative effect of these changes has led to increased power of administrative leaders at the expense of the ministers.\textsuperscript{12} In addition, these reforms have contributed to the fragmentation of the state as depicted in the main report of the commission on power and democracy in 2003.\textsuperscript{13} However, administrative reform in Norway has not meant the radical introduction of market-based solutions as has been the case in some other countries such as Great Britain.

The presence of unintended effects and the lack of positive results have not dissuaded the government from setting up an ambitious agenda of public administration reform in the current national budget.\textsuperscript{14} The principles and values of this modernization agenda include:

- Making the public sector a model for others, especially in regard to solidarity and the common interest;
- Increased citizen participation;
- A common IT architecture for the public sector;
- An integrated approach to services for people with many different needs;
- Reduction of bureaucratic burdens on business;
- Improving the quality and efficiency of public services by requiring user feedback and performance measurements.

It remains to be seen what the present coalition government will actually accomplish in realizing its intentions for improvements in the public sector.

\textsuperscript{13} NOU 2003: 19. Makt og demokrati.
\textsuperscript{14} St. meld. nr. 1 (2008–2009). \textit{Nasjonalbudsjettet 2009}. 
A slippery concept

The English word “governance” has burrowed its way into Norwegian parlance since the mid-1990s among academics as well as among public officials, but in the latter group to a limited extent not only in the term’s frequency of use, but also in relation to connotations and audiences.

For Norwegian diplomats and other officials working with the EU institutions in Brussels, governance simply represent a synonym for administrative policy or international cooperation, the latter in connection with the efforts to establish an international regime for the Arctic. In connection with the World Bank and the OECD, governance has taken on a clearly prescriptive connotation as in “good governance.” OECD argues that,

Good, effective public governance helps to strengthen democracy and human rights, promote economic prosperity and social cohesion, reduce poverty, enhance environmental protection and the sustainable use of natural resources, and deepen confidence in government and public administration.

The Norwegian government has introduced this interpretation of governance in its foreign aid programmes mainly directed at countries in Africa. This usually means that these programmes come with strings attached to reduce the risk of corruption and maladministration, but also to secure democracy and human rights.

However, governance has through the European Commission taken on a third meaning whereby the term encompasses the relationship between government and civil society.

The term “European governance” refers to the rules, processes and behavior that affect the way in which powers are exercised at European level, particularly as regards openness, participation, accountability, effectiveness and coherence. These five “principles of good governance” reinforce those of subsidiarity and proportionality.¹⁹

This definition was included in the 6th and 7th framework programmes of the European Commission and adopted by research programmes such as “Civil Society and New Forms of Governance in Europe – the Making of European Citizenship”.²⁰ As will be shown later in this chapter, this usage has been embraced by Norwegian academics and other professionals as well.

To conclude, Norwegian officials have refrained from introducing the term “governance” in publications directed at politicians and the general public. However, on the international level they have accepted and applied the formal definitions created by the European Union, the World Bank, and the OECD, either by using the English version directly, as in “good governance” or finding Norwegian equivalents.


Governance and scholarship

Conceptual issues: What is governance?

Among Norwegian scholars, governance as a term has proliferated in recent years. Many authors have adhered closely to the prescriptive definitions developed by international organizations or adopted the more analytical definitions found in the academic literature by internationally-recognized scholars such as Jon Pierre and Rod A.W. Rhodes. Having in mind these origins, we cannot convincingly claim that there exists a particular Norwegian approach to the study of governance. Yet, I believe with Johan P. Olsen that “scholarly work to some degree reflects where authors come from geographically”.

Olsen’s argument about geographical differences can also be applied to different patterns of governance used in comparing countries, such as the Norway and the United States. Unlike more recent authors, Christensen and Peters do not use one single definition of governance, but distinguish between instrumental, institutional, and individualistic conceptions of governance, and then analyze the political and administrative systems of Norway and the US according to each conceptualization. Applying the institutional conception, the authors find that while governing in the US requires major acts of legitimation followed by adversarial struggles between numerous interests and institutions, Norwegian governance is characterized by a strong commitment to collective goals and collective goal attainment. This analysis implies that scholars will adjust the operational criteria of governance to what they can observe in each country.

24 Ibid., p. 168.
Among scholars, there is also a need to distinguish governance from other approaches to the study of the public sector. Johan From argues that governance replaces New Public Management (NPM) as the collective concept to describe change and renewal in the public sector. Governance provides for the opening of a broader debate about the role of voluntary organizations in politics, including the rise of networks that allow for decision-making by negotiation in a way that breaks with the market-orientation found in NPM. Governance can also be seen as a response to the fragmentation of vertical authority in the modern state.\textsuperscript{25}

Others prefer to emphasize certain major characteristics that they attach to the governance concept. Roger Normann explains governance as the study of networks that exist parallel to representative democracy, but that have no legitimacy other than to produce consensus-oriented development results.\textsuperscript{26} He then proposes that the application of governance ideas can serve to strengthen democracy at the regional level in Norway.

Røiseland and Vabo\textsuperscript{27} make similar arguments for a delimited definition of governance, which they see as breaking with the idea of splitting society into the separate spheres of the public sector, the market, and civil society. Governance, then, focuses on the study of collections of interdependent actors that make their decisions through discourse or negotiations. Planned and goal-directed activities keep these actors together, but the formality, organizational forms, and degree of authoritative power can vary in each empirical case. The authors conclude that “governance” in Norwegian should be

\textsuperscript{25} From, J. Hva er governance? Plan, 2002, No. 6, pp. 22–25.


replaced by the word “samstyring,” which re-translated to English would be “co-steering.”

But will the focus on governance do more harm than good to the study of politics? A leading scholar of public organization, Johan P. Olsen, thinks that democratic governance regretfully has been decoupled from other useful strands of research in political science, such as organization theory, which instead has become a field of study in business administration.\(^{28}\)

In conclusion it can be said that Norwegian scholars have attempted to establish a definition of governance that provides a new perspective in political research. As we shall see next, governance serves as a useful term for analysis in several policy fields and as a concept that lends itself to operationalization in empirical research.

**Operationalization of governance**

Can governance as a term be applied in ways that provide us with new insights into well-established as well as new policy issues?

Anne Lise Fimreite and her colleagues have looked at governance in large Norwegian cities, in particular how the focus on institutions has weakened in favour of networks that increase the city’s capacity to act.\(^{29}\) In his analysis of changes in urban planning since the 1960s, Rolf Jensen\(^ {30}\) shows how hierarchical and centralized planning by the city authorities has given way to a diffuse planning situation with many actors, greater individual freedom, privatization, and globalized markets. This could include a more liberal use of negotiations in contract setting and purchasing rather than the rigid competitive bidding system favoured by NPM proponents.\(^ {31}\)


Sissel Hovik and Knut Bjørn Stokke\textsuperscript{32} analyses characteristics such as the power distribution and the strength of interdependencies among actors in the planning process of the protected Norwegian coastal zone. Similarly Marit Reitan\textsuperscript{33} charts patterns of governance in environmental policy making to show how new actors have recently challenged the previous dominance of the professional expertise in the field. These new actors, including the political parties in Parliament, have contributed to an increased level of political controversy surrounding nature conservation.

In his analysis of public–private partnerships in local development, Ole Johan Andersen\textsuperscript{34} regards them as a new form of governance at the intersection of the public and the private sectors. “Citizen initiative and mobilization make up part of the picture,” yet do not represent an opposition to government.\textsuperscript{35} While the division between different types of actors may have become fuzzy, Ulla Higdem insists that governance partnerships are regulated by agreements and contracts.\textsuperscript{36}

Some scholars continue to use governance in its traditional broad sense that pertains to governing in general. In explaining the strong state tradition in Norway since 1814, Tom Christensen discusses the evolution from a “Montesquieu-like concept of public governance” towards the corporatist state that first appeared in the 1920s, and presently seems to be evolving into what the author perceives as the


\textsuperscript{33} Reitan, M. Politicisation and professional expertise in the the policy of nature conservation. \textit{Local Environment}, 2004, no. 9, pp. 437–450.

\textsuperscript{34} Andersen, O. J. Public-private partnership: organizational hybrids as channels for local mobilization and participation? \textit{Scandinavian Political Studies}, vol. 27, 2004.

\textsuperscript{35} Ibid., p. 18.

\textsuperscript{36} Higdem, U. Governance og partnerskap i offentlig planlegging og forvaltning i Norge. \textit{Kart og plan}. (Forthcoming).
supermarket state.\textsuperscript{37} Similarly, in discussing the evolution of educational policies in the Scandinavian countries following the Second World War, several instruments and levels of governance are taking into account as affecting the changes in the schools’ role in nation-building, but the reader will not find any explicit definition of the term itself.\textsuperscript{38}

In evaluation reports on foreign aid projects, however, good governance finds itself strongly linked to democratic accountability that makes political leaders play by the rules. Accountability divides into both horizontal and vertical dimensions. On the state level it may mean the traditional horizontal division among the major and equal branches of government, but also the vertical chain of processes that link the elected officials with the citizens, including civic organizations and the media.\textsuperscript{39} However, in another report evaluating service delivery projects in poor urban areas in Namibia, the authors stress the importance of local governance in creating trust relations between city councils and citizens and putting in place mechanisms for citizen involvement in planning and priority setting.\textsuperscript{40} This approach to governance has been critiqued by Göran Hydén, who thinks power should be brought into the analysis of anti-poverty programmes in the developing countries. The rationale is to make “analysts and policy-makers more aware of the political conditions in which specific policies are being implemented.”\textsuperscript{41}


\textsuperscript{41} Hydén, G. Beyond governance: bringing power into policy analysis. \textit{Forum for Development Studies}. December 2006, p. 221.
The enthusiasm for the openness provided by “good governance” led Inger-Johanne Sand to propose public arenas, where certain actors could be forced to relate to each other. However, not all scholars share the enthusiasm of including civil society actors as partners in governmental modernization efforts. Håkon Lorentzen thinks that strong ties to the government will weaken the critical and corrective roles of non-governmental organizations. Especially, he finds that social democratic thinking includes an instrumental aspect that imperils civil society to become another professionalized arm of the welfare state. Generous public support can thus inadvertently undermine the civic function of these organizations.

Empirical evidence and future research

Has governance turned out to be a useful concept in empirical research in Norway? Most research reports reviewed for this chapter are either meta-level overviews or case studies. While the overview articles expose some of the multiple and slippery interpretations of governance found in the literature, the delimited definitions used in case research show that governance serve as a useful concept in describing aspects of political decision-making among networks of actors inside and outside formal government structures.

Support for the consensual aspects of governance can be found in an empirical study of several policy networks in Norway by Vabo, Hanssen, and Klausen. Although the researchers found that networks established horizontal decision-making styles, there was in practice a great vertical distance between implementation


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and the upper-level decisions made by the elected bodies in each of the chosen cases. Fimreite and her colleagues confirmed this finding in a case study of a wealthy local foundation with little democratic control and found in other cases that governance networks depend on competent management and elites. In contrast, Asbjørn Røiseland found that voluntary neighborhood committees can be effective alternatives to appointed political bodies at the local level.

Similarly, governance has served as a fruitful approach to the comparative analysis of implementation of foreign aid programmes at the local level among recipient countries.

What one misses from these studies, however, is generalized knowledge about the processes and arenas where governmental and civil society actors participate in order to exchange information, collaborate, and make decisions. A much cited article by Lisa Bingham, Tina Nabatchi, and Rosemary Leary calls for the systematic study of participation in these processes, including the stages of decision-making from goal-setting to implementation and evaluation. Their call represents an ambitious agenda for research of complex relationships.

This author has in cooperation with the Norwegian Neighborhood Federation attempted to chart the relationship of neighborhood clubs to municipal government. Although the membership of each club averages only 81 households, the 2007 survey shows that they in total participate in a broad specter of arenas of cooperation with local government agencies (see Figure 1). Some of these arenas are characterized by conventional one-way communication, such as

participating in written hearings, answering surveys, and sending e-mail messages. A second category consists of arenas with limited, usually structured participation such as committees, user boards, local boards, and focus groups. The third category consists of arenas with open participation that admits any interested group or individual. Typical examples are oral hearings, coffee table meetings, conferences, and in particular “open half hours” in advance of formal council meetings. That in principle all points of view can be expressed at the same occasion for an audience that also includes adversaries, accords well with ideas of communicative action.

Since there are more than 8,000 registered neighborhood clubs in Norway, they serve as excellent subjects for research, but they

represent only a minority of all Norwegian voluntary organizations. Surveys should be expanded to include other types of organizations as well to provide a fuller picture of their role in society. There are additional aspects of participation by civil society in governance networks that need to be ascertained. These research questions would include determining whichever steps of a public decision-making sequence that representatives participate in, such as planning, implementation, and evaluation, but also to measure the actual influence enjoyed by the participants in making authoritative decisions.

Governance for practitioners

In its traditional broad meaning, one would hardly expect that governance as a term could be of practical use to public administrators and other practitioners. However, with a narrower and more functional definition of governance, several Norwegian contributors to the discourse on practical applications have argued that the term can be used for purposes such as,

- Governance assessments of foreign aid programmes;
- Governance strategies against homelessness;
- Providing alternatives to Keynesian-style municipal planning;


Governance skills to be applied in complex urban planning projects;\textsuperscript{53}

Stimulating early initiatives for cooperation among relevant actors.\textsuperscript{54}

These propositions are still evolving and as yet mostly untested. Although governance risks becoming part of the jargon of management consultants everywhere, there is also reason to believe that modern definitions of governance will continue to help us understand new aspects of governmental decision-making. “New governance” also represents a driving force in current modernization efforts with its emphasis on the central role of citizen participation and civil society. In this sense I agree with Donald F. Kettl\textsuperscript{55} that a “theory of public administration means in our time a theory of governance as well.”

Bibliography


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