OVERALL PERFORMANCE AND MAJOR REFORM INITIATIVES

Overall, Sweden ranks in the top-third in EU-27 comparisons on government effectiveness(1). While tendency to trust in government has been relatively high, even in the aftermath of the financial crisis (57 % of citizens in 2010), and especially in recent years (66 % in 2017), it dipped last year (56 % in 2019), but remains in the EU’s top-third(2).

The Ministry of Finance (MoF) is responsible for public administration. Policy input and analytical support in this field is delivered mainly by the Swedish Agency for Public Management (SAPM), as well as by temporary investigative committees (government enquiries).

For many decades, the consistent themes in public administrative reform have been decentralisation (e.g. in organising services), deregulation and outsourcing (to increase user choice and service orientation), performance management and digitalisation.

STRUCTURES AND ORGANISATION

Sweden has one of the highest shares of public expenditure in GDP in the EU (60 %), placing it in the top-third, reflecting its universal welfare system. At the same time, spending is largely de-centralised (less than 50 % by national government). Despite relatively high public spending, Sweden has a comparatively low public debt (35 %), putting it in the EU’s top-third, and has experienced consistent surpluses in recent years.

Ministries are consolidated in one institution, the Government Offices (Regeringskansliet), formally headed by the Prime Minister, which hosts about 100 units. Many governmental functions are delegated to the approximately 345 semi-autonomous agencies.

At the sub-national level, the Swedish public administration operates at two levels, but of equal status: regional (21 counties) and local (290 municipalities). The capital, Stockholm, holds dual status. The county level has both self-government (an elected regional council overseeing the county’s affairs, primarily in healthcare, public transport, and culture) and deconcentrated administration (a county administrative board headed by a government-appointed governor that oversees local deconcentrated administration).

Almost 1.3 million people work in the public sector (around 30 % of the total workforce), or just under 1.1 million in full-time equivalents, of which the core public administration accounts for 44 %. As with spending, public employment is overwhelmingly decentralised, with just 20 % at the national level, 21 % at the regional level and 59 % at the local level.

Assignment of central, regional, and local functions has been characterised as an hourglass-shape with a narrow, regional waist. The power relationship between national and sub-national government has been described as a “negotiated order”. Weak legal safeguards on self-government, the centre’s role in regulating, financing, and monitoring welfare services, and high political interest in their delivery mean that sub-national government could be said to act more as implementing agencies than autonomous entities(3). The average size of municipality is large (almost 35 000 inhabitants), but there is a wide variance in scale and resources, also in counties.

(1) World Bank, Worldwide Governance Indicators (WGI)
(2) European Commission, Standard Eurobarometer 92
The Prime Minister’s Office (PMO) and MoF play the strongest role in ministerial coordination. Otherwise, central government’s main instrument currently for coordinating horizontally and vertically, and across public-private boundaries, is appointing voluntary ‘national coordinators’, who act as negotiators, analysts or instigators. At regional and local levels, public administrations tend to coordinate, pool resources, and solve common problems.

In EU-27 comparisons, Sweden ranks in 3rd place for strategic capacity, the middle-third for inter-ministerial coordination and in top place for implementation capacity.

CIVIL SERVICE SYSTEMS AND HRM

There is no formal, legal status for government employees. Essentially, employment in the public sector operates under the same rules as the private sector, with no additional job protection.

The MoF is responsible for HRM policy, but implementation is highly decentralised. Each organisation recruits, manages and dismisses its own staff, except the heads who are appointed by the Government.

The Government’s Delegation for Trust-based Public Management is due to provide proposals as to how and when a common, compulsory, introductory training for public servants can be introduced in its final report in June 2020.

With a few career-based exceptions, the Swedish system is position-based and meritocratic in its recruitment, with movement between the public and private sectors. There are relatively few political recruits (e.g. state secretaries). The two top-ranking posts in a ministry (directors-general) are merit-based appointments, designated to legislative and administrative issues, respectively.

There is no official ‘senior civil service’. Other than ministry state secretaries and directors-general, senior public servants also include regional governors and other managerial positions such as heads of agencies. The Swedish civil service is non-partisan and the career patterns of ministers and senior civil servants are largely separate.

The Swedish public administration is seen as accessible for job opportunities, being in the EU’s bottom-third for ‘closedness’ of the labour market. It is ranked 1st in the EU for impartiality and 3rd for professionalism.

The Swedish labour market model relies heavily on collective agreements on pay, working conditions, work environment, job security, benefits, supplementary pensions etc. Around 80% of public employees are unionised.

Apart from senior civil servants (whose pay is determined using certain criteria), there is no centralised pay system, so each organisation is responsible for managing its own budget, which includes assigning a part to staff salaries. Private sector pay is higher, but the public sector can typically offer more attractive conditions (flexible working hours, health benefits, and longer vacations) to compensate. Performance-related pay is standard.

Gender balance in central government is not replicated at regional and local levels, the latter employing four times more women than men, reflecting their prevalence in, education, childcare, health care and social care. The public sector is characterised by an ageing workforce, with over 50s constituting more than a third of employees in central (34%), regional (37%) and local (39%) government.

Decades of managerial reforms that reduced the professional autonomy of different corps have created recruitment problems among health care professionals, school-teachers police officers and judges, inter alia, and hence a challenge to interest and attract candidates.

POLICY-MAKING, COORDINATION, AND IMPLEMENTATION

Sweden ranks in the EU’s top-third for use of evidence-based instruments, with a score of 6.3 out of 10, 2nd place for regulatory quality and joint 2nd place for consulting with social and economic actors during policy preparation.

Sweden’s policy process is commonly described as rational and consensual. Almost all complicated policy proposals are first investigated by a commission of inquiry and then

(1) Bertelsmann Stiftung, Sustainable Governance Indicators
(2) Bertelsmann Stiftung, Sustainable Governance Indicators
(3) Bertelsmann Stiftung, Sustainable Governance Indicators
(4) The Quality of Government Institute, University of Gothenburg
(5) Bertelsmann Stiftung, Sustainable Governance Indicators
(6) Bertelsmann Stiftung, Sustainable Governance Indicators
(7) Bertelsmann Stiftung, Sustainable Governance Indicators
(8) Bertelsmann Stiftung, Sustainable Governance Indicators
(9) Bertelsmann Stiftung, Sustainable Governance Indicators
(10) Bertelsmann Stiftung, Sustainable Governance Indicators
(11) Bertelsmann Stiftung, Sustainable Governance Indicators
(12) World Bank, WGI op. cit.
(13) The Quality of Government Institute (QoGI), University of Gothenburg
(14) Bertelsmann Stiftung, Sustainable Governance Indicators
(15) Bertelsmann Stiftung, Sustainable Governance Indicators
(16) Bertelsmann Stiftung, Sustainable Governance Indicators
(17) Bertelsmann Stiftung, Sustainable Governance Indicators
(18) Bertelsmann Stiftung, Sustainable Governance Indicators
(19) The Quality of Government Institute (QoGI), University of Gothenburg
(20) Bertelsmann Stiftung, Sustainable Governance Indicators
sent to public and private organisations for referral before the government bill is sent to the Parliament. The referral bodies may be central government agencies, special interest groups, local government authorities, higher education institutions or others whose activities might be affected by the proposals. In this way, the policy process is geared towards problem-solving, collecting expertise and stakeholder input, and building broad support.\(^{(18)}\)

The Swedish system places policy implementation, mainly in the hands of central agencies and sub-national government. The relationship between agencies and ministries is key. Ministries are small with limited analytical capacity and hence agencies (among other bodies) provide input to the central government’s decision processes, but also have a lot of control over delivery through delegation, with ministerial control exercised through steering, monitoring and inspections.

In 2017, the Government appointed a special investigator to analyse its resources for analysis and evaluation, who concluded that the knowledge-based policy ideal, result-oriented steering model and efficiency goals created a growing need for evaluation based on high levels of expertise, and that policy analysis and evaluation by central agencies should be kept organisationally distinct from operational tasks in the same area, and its resourcing should be increased\(^{(19)}\).

There is also an ongoing debate, revitalised by the COVID-19 pandemic, regarding the role of the professions (teachers, doctors, etc.) in planning and executing public policy, in terms of both everyday mandates (e.g. discretion to take decisions) and professional influence over large-scale projects (such as planning a new hospital).\(^{(20)}\)

The Government’s aforementioned trust-based public management reform, launched in 2016 and still ongoing, is targeted at steering central agencies and public organisations at regional and local level (e.g. welfare providers) to develop a management model to “change focus from detailed performance control to a balance of control and trust in professional expertise and experience” by creating more scope for employees to exercise autonomy.\(^{(21)}\) So far, the Delegation has published five reports.\(^{(22)}\)

Sweden ranks joint 1\(^{st}\) in the EU voice and accountability\(^{(23)}\), and in the top-third for access to government information\(^{(24)}\) with a score of 9 out of 10, but in the middle-third for transparency of government\(^{(25)}\) with a score of 68 out of 100 and in the bottom-third for open data\(^{(26)}\).

Sweden has a strong (legal) tradition of citizens’ access to information on public documents, but the outsourcing of welfare services to commercial enterprises put this accountability at risk.

Trust also relies on public administrations being capable to collect, compile and store data while respecting privacy. Recent incidents involving potentially harmful exposure of databases in Swedish central agencies, such as the Transport Agency’s procurement of IT services, and also state-owned companies and public services in the healthcare sector, illustrate that the integrity of these systems should not be taken for granted. Thus, the Government has been compelled to include cyber-security issues in its digital strategy (see next section).

As in many countries, there are different systems of external audit for national and sub-national government. At the central level, the National Audit Office has only been independent of the executive since 2003, when it took its authority from the Parliament. It carries out both financial and performance audits. At local and regional government levels, auditors are elected politicians and perform not only traditional financial audit, but also political and managerial audit.

The Office of the Parliamentary Ombudsmen is an authority under the Parliament), and its task is to guarantee that citizens are treated in accordance with Swedish law by public agencies at any level. Among their powers, they can initiate legal proceedings against an official who has committed a criminal offence other than an offence against the freedom of the press and the right to freedom of expression. Moreover, the ombudsmen may report a civil servant for dereliction of duty.


\(^{(20)}\) See Ahlbäck Öberg et al. (2016) and Sundström, (2018), op. cit.

\(^{(21)}\) www.regeringen.se/regeringens-politik/tillitsreformen


\(^{(23)}\) World Bank, WGI, op. cit.

\(^{(24)}\) Bertelsmann Stiftung, Sustainable Governance Indicators

\(^{(25)}\) European Commission eGovernment Benchmark

\(^{(26)}\) European Commission, Digital Economy and Society Index (DESI)
Sweden ranks 3rd place in the EU for perceptions of corruption(27) and control of corruption(28) and in the top-third for public integrity(29).

Over the last decade, successive governments have sought to define a common public ethos and the basic values for executing public power, to strengthen public trust, enhance efficiency, and attract recruits. Since 2017, this responsibility rests with the SAPM.

### SERVICE DELIVERY AND DIGITALISATION

Across the EU-27, Sweden ranks in the top-third for quality of public services(30), with 67% of surveyed citizens rating them positively, although this is lower than the previous two years, and 2nd place for ease of doing business(31).

Sub-national government is responsible for many public services, with inevitable variations in quality across Sweden, given the differences in scale, demographics, and tax base across Swedish municipalities. At the same time, reforms over the years have opened the market to new providers from outside the public sector.

In recent years, the Government has been seeking to improve the service offered by central agencies expanding joint local offices, which were initially voluntary collaborations covering tax, social insurance, and pensions, with 10 more centres and involving more agencies, including employment services. The number of visits to local service centres had been steadily each year, from a peak of 4.8 million (2013) to 3.4 million (2018), and hence adding central agencies seeks to counter this trend(32).

The National Government Service Centre, which already provided standardised support to government agencies (personnel administration, ICT support etc.) has taken on the central coordination function for [local service centres](#), moving away from the voluntary model. However, the offer from local service centres could still be too narrow, and hence expanding e-services has been proposed to expand the scope(33).

Sweden’s ambitions to be an international leader in e-government date back to 1999 and have been apparent ever since in its strategies and actions.

The Government’s [digitalisation strategy](#) is focused on digital competence, innovation, security, infrastructure, and management(34), with the Swedish National Digitalisation Council to support its implementation(35). Governance was seen as complex and overly fragmented. Hence, the Agency for Digital Government was established in September 2018 to develop, coordinate, and support the digitalisation of central authorities, municipalities, and county councils, and to develop national digital infrastructure, such as data management standards, eID and digital post.

Across the EU-27, Sweden ranked in the top-third for digital public services, and also specifically for e-services for businesses. Sweden ranks 1st for e-government users (93 %), and in the top-third for pre-filled forms, but just middle-third for online service completion(36).

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(27) Transparency International, Corruption Perceptions Index
(28) World Bank, WGI, op. cit.
(29) European Research Centre for Anti-Corruption and State-Building (ER-CAS), Index of Public Integrity
(30) European Commission, Standard Eurobarometer 92, op. cit., 52 % rated ‘good’, 15 % ‘very good’.
(31) World Bank, Ease of Doing Business Report
(35) [https://digitaliseringsradet.se/om-webbplatsen/english/](https://digitaliseringsradet.se/om-webbplatsen/english/)
(36) European Commission, DESI, op. cit.