

Summary

The Committee on Public Sector Responsibilities was commissioned to analyse the current system of public administration and to determine whether changes are required in the division of responsibilities and structural arrangements in order to meet the challenges public sector services will be facing in the future. Many problems the Committee has observed have non-structural causes and therefore require other types of solutions. The Committee has only presented proposals where it has found that changes to the division of responsibilities and structure are the key to a more efficient public administration.

The Committee has conducted its work in ongoing, and in many cases, very close contact with elected representatives and other representatives of the public sector and other sectors of society.

Fundamental starting points for a future system of public administration (chapter 2)

In an interim report entitled “Innovation Capacity for Sustainable Welfare” (Swedish Government Official Reports 2003:123) the Committee presented its analysis of the challenges public sector services will be facing in the future. Most attention was focused on the growing demands for public services as a result of demographic changes, technological and scientific development, new values, better informed citizens and new political issues. Other challenges include globalisation, European cooperation and the ability to sustain a healthy democracy. The Committee has identified four prerequisites for meeting these challenges:

- innovation capacity (capacity for development and renewal),
- greater creative participation,
- a comprehensive approach and reduced sectorisation, and
- a clearer division of responsibilities.

The Committee has also identified six principles for the division of responsibilities among different levels of the administrative system:

- democracy and legitimacy,
- financing,
- legal security
- equivalence,
- economic use of resources and efficiency, and
- the lowest effective level.

The Committee has paid particular attention to the importance of a citizen's perspective and the need for equivalence.

Much of the Committee's analysis work has dealt with sectorisation and its problems. Sectorisation is the result of necessary, ongoing specialisation for the development of public sector services and the management of an increasingly complex world. However, sectorisation has its drawbacks, particularly for individuals in need of services from several sectors simultaneously. Sectorisation also causes problems in growth and development policy and in the governance of local government. Sectorisation must therefore be counterbalanced with intersectoral, territorially based working methods and perspectives. An intersectoral working method is a prerequisite for maintaining horizontal objectives such as gender equality, sustainability and integration.

The regional level is the focal point of efforts to achieve a more intersectoral working method. Compared with the national and local level, the regional level today is confusing and fragmented, with a large number of actors whose tasks are ambiguous and often overlapping, and regionalisation that differs from sector to sector, making coordination even more difficult. At the same time, the need has grown for a functioning regional level as a means of achieving an intersectoral and territorially based working method.

To remedy these structural deficiencies the Committee proposes a new regional system of public administration with clearer roles and a clearer division of responsibilities, and regionalisation that is the same for the state and the local government sector. As regards regional development, a distinction has been made between development tasks characterised by self-governance and tasks that are more purely a matter of carrying out a government agency mandate. Consequently, it is proposed that county councils be replaced by directly elected regional authorities with overall

responsibility for regional development and health and medical care. At the same time as representing central government in the county, new county administrative boards will be given the task of coordinating central government activities, carrying out supervision and delivering a cross-sectoral knowledge base to the Government. A prerequisite for these reforms is a new common division into county and regional authorities with significantly fewer units than at present.

Sustainable welfare requires a long-term approach. By the same token, the Committee wants to underline the importance of changes of a structural nature being initiated immediately to ensure that a reformed public administration system is in place and has become established by the time demographic and economic conditions become acute as of 2020 and onwards.

The state and the local government sector (chapter 3)

Efficient use of public resources demands there be room for local and regional considerations and priorities. A large degree of local self-government is therefore crucial to enabling public welfare commitments to be pursued also in the longer term. At the same time there is a strong and legitimate national interest in the governance of local government services. This applies in particular to the need to protect and promote greater equivalence in the provision of welfare services. In practice, this means that responsibility for most welfare services is divided between the state and the local government sector.

Today, the relationship between central government and local government sectors suffers from a lack of confidence and dialogue. The state's governance of local government is sectorised, poorly coordinated and has low priority. Too little is known about its effects. Little consideration is given to how individual instruments affect other services. A large number of instruments are used side by side without their effects being known. At times, governance signals are also felt to be contradictory.

To solve these structural problems it is proposed that central government governance focus on setting standards, and that use of other instruments be limited. Central government governance of welfare services should take advantage of the benefits of enhanced knowledge management. This requires well-developed systems for

national information provision, which in turn requires that the state take clear responsibility for national follow-up and evaluation of welfare services. To achieve a good level of effectiveness, information provision should be undertaken in close collaboration with the local government sector and other actors.

The Government should develop a coherent and cross-sectoral strategy for governance of the local government sector. The aim should be appropriate central government governance that protects equivalence, helps local government services achieve national objectives and provides favourable conditions for efficient local and regional adaptation and development. Furthermore, the Government should set up an inquiry on how national information provision for local government services can be developed.

To improve interaction the Committee proposes a set procedure for consultation between central government and the local government sector. Consultation must occur on fundamentally important issues concerning

- the relationship between central and local government,
- local government finances and funding, and
- local government legislation.

A delegation will be set up at the Government Offices to implement this consultation. The Government should deliver a report on the delegation's activities to the Parliament on a yearly basis.

Health and medical care (chapter 4)

A decentralised health and medical care system in which a range of principals try different solutions and spread risks and development costs fosters both innovation capacity and efficiency. At the same time it is important that the principals are of a size that will enable them to meet the challenges they will face in the future, particularly in terms of creating and spreading knowledge, and long-term development work. For this reason it is proposed that county councils' responsibilities as regards health and medical care be taken over by significantly fewer and more equally sized regional authorities. Every regional authority should have a regional hospital or, if this is not possible, establish

institutionalised cooperation with a regional authority that does have one.

Central government governance of health and medical care should focus on setting standards. The number of governance mechanisms should be restricted, particularly those with unclear status such as agreements, action plans and temporary project funding. Governance should focus on the right of citizens to equivalent health and medical care. It is proposed that knowledge management in health and medical care be strengthened through the establishment of a framework:

1. Knowledge management by central government will be coordinated. The work of government agencies in the area of knowledge development and dissemination will be coordinated so as to improve clarity for municipalities and county councils. As a consequence of the proposal, changes will be made to the official instructions the Government issues to each agency.
2. Regional knowledge centres will be set up and will take responsibility for creating and spreading knowledge and interact with the national level. It is proposed that they be regulated under a provision in the Health and Medical Services Act.
3. Central government will be given a clearer responsibility for national follow-up and evaluation. The Committee proposes that an inquiry be set up to clarify the division of roles at national level and improve national follow-up of the quality and outcome of health and medical care.

Moreover, the Committee finds that there is reason to detach supervision of health and medical care from the National Board of Health and Welfare. There should be greater coordination with supervision of the social services.

The Committee also proposes that legal provisions that are important for the position of the patient in health and medical care be brought together in a patients act. The purpose of this act would be to increase transparency, promote contact between the patient and health care staff and to enhance respect for the integrity of the individual patient, his/her self-determination and human dignity. The proposed act contains provisions concerning

- the patient's right of self-determination and influence over health care,
- personal doctor,
- medical assessment etcetera,
- obligation to inform the patient,
- the patient's right to see his or her own medical records,
- correction and destruction of patient records,
- obligation to issue health care certificates,
- patients' committees,
- Medical Responsibility Board, and
- the patient's right to compensation for injuries.

Like the current legislation, the proposed act primarily states the care providers' obligations towards the citizens. Only a few provisions contain rights that patients can assert.

It is proposed that the right to choose a personal doctor be strengthened and extended by allowing citizens to choose doctors other than general medicine specialists. Citizens should have greater access to information concerning the quality of health care outcomes, quality of the health care process and health care efficiency; information usability should also be improved.

Central government governance should ensure that the principals are given clearly defined responsibilities that also allow them freedom of action. In this way, different solutions can be tested for cooperation between health and medical care and occupational health services, and between schools, social services and primary care. Similarly, cooperation may be possible between government agencies to coordinate the treatment of citizens outside the labour market who have other care and support needs.

Furthermore, there is reason to consider changing the division of responsibilities in substance abuse care so that the overall responsibility for care and treatment will lie with county councils.

Regional development (chapter 5)

Today the responsibility for tasks associated with regional development is divided among too many actors, and the division of responsibilities varies from county to county. In addition, the current county division is poorly suited to efficient regional development planning, and regionalisation differs from sector to sector. This has resulted in a fragmented growth and development

policy and a weak and complex system of regional public administration. For this reason the Committee wants to bring together a number of tasks into a broader, more intersectoral regional development mandate as a complement to the dominant sectoral policy and as a link between sectors that are important for sustainable development and growth.

The Committee wants this regional development mandate to be given to the newly established regional authorities. At the same time, the tasks of the county administrative boards will be concentrated to become a more developed government agency mandate focusing on central government coordination, supervision, permits and other applications of the law, as well as follow-up, evaluation and cross-sectoral knowledge creation (compare below, **The state**). This will clarify the roles and lay the foundations for legitimate regional leadership with a direct democratic mandate from the county. This is to be regarded as part of local self-government. However, this does not mean that the regional authorities, constitutionally or in any other way, have authority over municipalities.

The regional development mandate extends over several policy areas and is affected by a number of legislative instruments. To meet the need for coherent and comprehensible regulations the Committee has drawn up a proposal for an act on regional development work focusing on the tasks of the regional authorities. The tasks proposed are:

1. to draw up and decide on a regional development programme (RDP) for the county, and to lead and coordinate the work in this area; a RDP is to
 - specify regional geographical interests, a non-legally binding regional planning instrument, and
 - contain an indicative regional traffic plan;
2. to draw up proposals for regional programmes under the EU's cohesion policy and by 2014 take over the task of preparing and deciding on applications for grants from the Structural Funds programmes; also by 2014, the structure of programmes should be adapted to the regional division;
3. to decide on the use of the regional development appropriation proposed to replace the county appropriation;

4. to lead and coordinate the work on regional growth programmes;
5. to cooperate with, above all, the County Administrative Board to ensure that rural policy is integrated into regional development work;
6. to decide on a county plan for regional transport infrastructure;
7. to operate local and regional public transport;
8. to undertake regional public health work;
9. to undertake regional nature conservation, which, in addition to the county councils' commitments in the area, is proposed to include planning and outdoor activities, managing nature reserves, and other field work;
10. to regionally adapt, apply and work to achieve the national environmental objectives;
11. to undertake regional cultural environment preservation measures by, for example, deciding on how to use the regionally allocated part of the cultural environment preservation appropriation;
12. to conduct regional cultural activities, which, apart from the extensive commitments of county councils in this area, involves deciding on government grants to regional cultural institutions; and
13. to undertake regional gender equality work.

In addition, the regional authorities will be expected to take their own initiatives, at least to the same extent as county councils do today, within the framework of the general powers granted under the Local Government Act and to take over the county councils' commitments to folk high schools, upper secondary schools specialising in natural resource utilisation, part-ownership of regional ALMI companies, county tourism bodies and other organisations.

In the longer term, the possibility should be examined of assigning additional tasks to the regional authorities as a means of further strengthening and coordinating regional development

work. Possible components of a broader regional development mandate could include

- strengthening regional development policy by transferring tasks and resources from other policy areas,
- a coherent regional educational mandate for higher education institutions and other providers of post-secondary education focusing on vocational education, and
- responsibility for upper secondary school and upper secondary adult education.

The regional authorities are to cooperate on regional development with the municipalities in the county, the county administrative board and other government agencies, and consult with representatives from the business sector and other organisations. It is of vital importance that the municipalities and regional authorities find a framework for dialogue and cooperation in the area of regional development. These frameworks, however, must be allowed to vary to reflect differences in regional conditions and aspirations.

As a result of the Committee's proposals, pilot schemes involving changes in the regional division of responsibilities will be terminated and the coordination bodies will lose their current status and the central and local government tasks they have managed.

The state (chapter 6)

In the Committee's opinion, there is a great need to "reunite the state". Today, specialisation is the organising principle of the state and its decision-making processes. What is needed, therefore, is intersectoral decision-making that focuses on the whole picture to counterbalance the forces of sectorisation. Similarly, central government governance needs a territorial perspective that can counterbalance the sectoral perspectives. A key issue is how sectoral coordination and cross-sectoral governance can be achieved without the indisputable merits of sectorisation being lost. The citizen's perspective also needs to be strengthened to give the claims of equivalence greater influence in central government governance and central government activities.

For this reason the Committee wants to create a new model for central government coordination. This model is to be based on the regional level and on better developed interaction between the Government Offices, the county administrative boards and sectoral agencies. As part of this coordination model, the county administrative boards will be required to deliver a cross-sectoral analysis to the Government.

As a matter of principle, public sector supervision must be the responsibility of central government. Public sector supervision means control of legally binding regulations and decisions that result from them. The purpose of central government responsibility here is to reduce variations in assessments, quality and resources between different parts of the country. Public sector supervision also needs to be coordinated to a far greater extent than is the case today. The county administrative boards will therefore be given overall responsibility for supervision at county level. They will take over a number of supervisory activities from the municipalities, while regional supervision conducted by certain sectoral agencies will be co-located with the county administrative boards. A supervisory delegation will be established at the county administrative board with responsibility for coordinating and planning all supervisory activities directed at any one object of supervision.

The new model also places demands on the Government Offices. A comprehensive review of the Government Offices should be undertaken to enable the organisation and working methods to adapt to the demands that will be placed on the future system of public administration. The review should include an analysis both of Sweden's experience of EU membership and of the importance of the Government committees for the innovation capacity of public administration.

The local government sector (chapter 7)

In the longer term, it is essential that the municipalities' mandate focus on the heavyweight welfare services and core planning functions. Today, there is no evidence to suggest that the smaller municipalities do not manage their tasks as well as the larger municipalities. The smaller municipalities are considered to have

the economic means to manage their overall commitment, primarily as a result of the local government equalisation system.

In the longer term, however, smaller municipalities, and especially sparsely populated municipalities with declining populations, are expected to have difficulty providing complicated welfare services. Consequently, the Committee proposes that

- the county administrative boards be instructed to keep particularly close watch on developments in the smaller municipalities in the county,
- central government facilitate procedures for municipalities wishing to initiate a process of amalgamation,
- a review be conducted of the municipal equalisation system as regards its outcome when municipalities amalgamate,
- municipalities be instructed to report on how they cooperate with other municipalities and in what areas, and that
- central government develop an information system that can provide a complete picture of inter-municipal cooperation.

The Committee notes that inter-municipal cooperation is very common and necessary. Nevertheless, it raises apprehensions as to whether the system of public administration in the long term will become too blurred and accountability more difficult.

As regards county councils, the Committee proposes far-reaching changes. As a consequence of the proposals contained in chapters 4 and 5, it is proposed that county councils be replaced by regional authorities. The regional authorities will take over the tasks of county councils, their right to levy taxes and their constitutional position; in addition they will have a coherent regional development mandate. The new designation is justified by a new geography, new tasks and a new political mandate. As the regional authorities begin to take shape and demonstrate that they are in a position to shoulder a broader, more inter-sectoral regional development mandate, central government can consider assigning them additional tasks.

A new regional geography (chapter 8)

The Committee's proposals for a new regional system of public administration constitute a coherent whole. They are not only meant to solve today's problems but, above all, to deal with the foreseeable challenges of the coming decades. Hence they require new county and regional divisions that should be drawn up according to the following criteria:

- a common county and regional authority division that, as a rule, regionally divided sectoral agencies must also follow,
- a standard population size of between one and two million inhabitants and that only in exceptional circumstances may be below half a million inhabitants,
- that every regional authority has its own regional hospital or, if this is not possible, establishes institutionalised cooperation with a regional authority that does have one,
- that every regional authority has at least one university with significant permanent research resources,
- that the labour market regions, as they are expected to look in 2030, will form the building blocks of the division into county and regional authorities and should not be divided unless very strong reasons exist,¹ and
- that counties and regional authorities be defined in such a way that the citizens can feel a sense of belonging.

The Committee expects that the criteria presented above will result in a division into between six and nine counties and regional authorities. The process of division demands a large degree of local and regional influence, both for democratic reasons and to ensure the success of the process. The stakeholders in this process are municipalities, county councils and central government, as well as the district branches of political parties, other organisations and citizens in general. Nonetheless, to ensure that the process of division is structured it is proposed that the Government appoints three inquiry/process managers to lead each individual process in northern, central and southern Sweden. In some cases, a local

¹ Compare with Nutek R 2006:18 *Framtidens arbetsmarknadsregioner. Ett uppdrag från Ansvarskommittén* (Future labour market regions: An assignment from the Committee on Public Sector Responsibilities)

referendum may be necessary in order to determine to which county a particular municipality should belong. However, the final division into counties and regional authorities is to be decided by the Parliament and the Government.

The conversion of county councils into regional authorities can take place most conveniently in connection with a general election. Thus the goal must be to enable the implementation, as far as possible, of a divisional reform in late 2010/early 2011. This presupposes that, at regional level, agreement can be reached on a new division in 2008. However, in some parts of the country the process may need more time, which means that implementation there will be delayed until late 2014/early 2015 at the latest. If this occurs, central government should take more active responsibility to bring the process to a successful close to prevent the reform process as a whole being unnecessarily delayed and fragmented. For the same reason, it may be necessary to complete the establishment of regional authorities during the 2010–2014 term of office rather than waiting for the general election in autumn 2014.